Public Document

GMCA GREATER MANCHESTER COMBINED AUTHORITY

GREATER MANCHESTER GREEN CITY REGION PARTNERSHIP 2020/21

DATE: **Thursday, 10th December, 2020**

TIME: **10.00am**

VENUE: **Via Microsoft Teams**

AGENDA

1. **Apologies**

2. **Chairs Announcements and Urgent Business**

3. **Declarations of Interest** 1 - 4

To receive declarations of interest in any item for discussion at the meeting. A blank form for declaring interests has been circulated with the agenda; please ensure that this is returned to the Governance & Scrutiny Officer 48 Hours before the meeting.

4. **Minutes** 5 - 14

To consider the approval of the minute of the meetings held on 16th October 2020.

5. **Performance Update - 5 Year Environmental Plan** 15 - 26

Report of Mark Atherton, GMCA Director of Environment.

6. **Review of Mission Based Approach** 27 - 34

Report of Martha McPherson, University College London.

7. **Challenge Group Progress Updates** 35 - 48

Report of Mark Atherton, GMCA Director of Environment. Updates from the Chairs of the Challenge Groups.

BOLTON	**MANCHESTER**	**ROCHDALE**	**STOCKPORT**	**TRAFFORD**
BURY	**OLDHAM**	**SALFORD**	**TAMESIDE**	**WIGAN**

Please note that this meeting will be livestreamed via www.greatermanchester-ca.gov.uk, please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

8. **Green Recovery - Building Back Better** 49 - 56

Presentation of Mark Atherton, GMCA Director of Environment.

9. **Local Nature Recovery Strategy Policy** 57 - 68

Presentation of Sam Evans, Head of Environment Policy, GMCA.

10. **Greater Manchester Environment Fund** 69 - 106

Report of Anne Selby, Chair of the Greater Manchester Natural Capital Group and Chief Executive Officer, Lancashire Wildlife Trust.

11. **Public Sector Decarbonisation Scheme** 107 - 112

Report of Councillor Andrew Western, Portfolio Lead for Green City Region and Alison McKenzie-Folan, Portfolio Lead Chief Executive for Green City Region and of Low Carbon, GMCA.

12. **Dates and Times of Future Meetings**

All meetings will be held virtually, via Microsoft Teams, unless otherwise stated on:

- Friday 12 March 2021 at 10.00 am

Name	Organisation	Political Party
Darryl Quantz	NHS	
Patrick Allcorn	Department for Business, Energy & Industrial Strategy	
Hisham Elkadi	Salford University	
Chris Matthews	United Utilities	
Roger Milburn	Arup	
Councillor Alan Quinn	Bury Council	Labour
Lee Rawlinson	Environment Agency	
Anne Selby	Lancashire Wildlife Trust	
Councillor Angeliki Stogia	Manchester City Council	Labour
Councillor Andrew Western	Trafford	Labour
Louise Blythe	BBC	
Kristina Poole	Public Health England	
Peter Emery	Electricity North West	
Richard Jenkins	Viridor	
Phil Korbel	Cooler Projects	
Robin Lawler	Northwards Housing	
Nalin Thakkar	University of Manchester	
Councillor Derek Antrobus	Salford CC	Labour
Andy Gibson	MMU	
Bernard Magee	Siemens	
Carly McLachlan	Manchester Uni	
Sarah Price	Greater Manchester Health and Social Care Partnership	

For further information on this meeting please refer to the website www.greatermanchester-ca.gov.uk. Alternatively, contact the following

Governance & Scrutiny Officer: Kerry Bond
✉ kerry.bond@greatermanchester-ca.gov.uk

This agenda was issued on 2 December 2020 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street, Manchester M1 6EU

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Green City Region Partnership
Thursday 10 December 2020

Declaration of Councillors' Interests in Items Appearing on the Agenda

NAME: _____

DATE: _____

Minute Item No. / Agenda Item No.	Nature of Interest	Type of Interest
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary

Please see overleaf for a quick guide to declaring interests at GMCA meetings.

QUICK GUIDE TO DECLARING INTERESTS AT GMCA MEETINGS

This is a summary of the rules around declaring interests at meetings. It does not replace the Member's Code of Conduct, the full description can be found in the GMCA's constitution Part 7A.

Your personal interests must be registered on the GMCA's Annual Register within 28 days of your appointment onto a GMCA committee and any changes to these interests must notified within 28 days. Personal interests that should be on the register include:

- Bodies to which you have been appointed by the GMCA
- Your membership of bodies exercising functions of a public nature, including charities, societies, political parties or trade unions.

You are also legally bound to disclose the following information called DISCLOSABLE PERSONAL INTERESTS which includes:

- You, and your partner's business interests (eg employment, trade, profession, contracts, or any company with which you are associated)
- You and your partner's wider financial interests (eg trust funds, investments, and assets including land and property).
- Any sponsorship you receive.

FAILURE TO DISCLOSE THIS INFORMATION IS A CRIMINAL OFFENCE

STEP ONE: ESTABLISH WHETHER YOU HAVE AN INTEREST IN THE BUSINESS OF THE AGENDA

If the answer to that question is 'No' – then that is the end of the matter. If the answer is 'Yes' or Very Likely' then you must go on to consider if that personal interest can be construed as being a prejudicial interest.

STEP TWO: DETERMINING IF YOUR INTEREST PREJUDICIAL?

A personal interest becomes a prejudicial interest:

- where the well being, or financial position of you, your partner, members of your family, or people with whom you have a close association (people who are more than just an acquaintance) are likely to be affected by the business of the meeting more than it would affect most people in the area.
- the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

FOR A NON PREJUDICIAL INTEREST	FOR PREJUDICIAL INTERESTS
YOU MUST • Notify the governance officer for the meeting as soon as you realise you	**YOU MUST** • Notify the governance officer for the meeting as soon as you realise you

have an interest • Inform the meeting that you have a personal interest and the nature of the interest • Fill in the declarations of interest form **TO NOTE:** • You may remain in the room and speak and vote on the matter • If your interest relates to a body to which the GMCA has appointed you to you only have to inform the meeting of that interest if you speak on the matter.	have a prejudicial interest (before or during the meeting) • Inform the meeting that you have a prejudicial interest and the nature of the interest • Fill in the declarations of interest form • Leave the meeting while that item of business is discussed • Make sure the interest is recorded on your annual register of interests form if it relates to you or your partner's business or financial affairs. If it is not on the Register update it within 28 days of the interest becoming apparent. **YOU MUST NOT**: • participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business, • participate in any vote or further vote taken on the matter at the meeting

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MINUTES OF THE MEETING OF THE GREEN CITY REGION PARTNERSHIP
HELD FRIDAY 16 OCTOBER AT 9.00 AM VIA MICROSOFT TEAMS VIRTUAL MEETING

PRESENT:

Councillor Oliver Ryan	GMCA Deputy Environment Portfolio & Chair (Tameside Council)
Councillor Alan Quinn	Waste & Recycling Committee (Bury Council)
Councillor Angeliki Stogia	Transport Committee (Manchester City Council)
Councillor Derek Antrobus	Planning & Housing Commission (Salford City Council)
Alison Mckenzie-Folan	GMCA Lead Chief Executive (Wigan Council)
Louise Blythe	BBC Academy (Chair Communications & Engagement)
Robin Lawler	Northwards Housing (Chair Low Carbon Buildings)
Peter Emery	ENWL (Chair Energy Innovation)
Anne Selby	Wildlife Trust (Chair Natural Capital)
Carly McLachlan	University of Manchester (Chair 5YEP Forum)
Will Swan	Salford University (Vice-Chair Low Carbon Buildings)
Angela Needle	Cadent Gas (substitute for Stuart Easterbrook Vice-Chair Energy Innovation)
Amanda Reid	Savils (Vice-Chair Sustainable Consumption and Production)
Anna Bell	Suez
Mark Easedale	Environment Agency
Bernard Magee	Siemens
Roger Milburn	Arup
Patrick Allcorn	Department for Business, Energy & Industrial Strategy (BEIS)
Andy Gibson	University of Manchester
Darryl Quantz	Health & Social Care Partnership
Steph Everett	Homes England (Substitute for Carl Moore)

OFFICERS IN ATTENDANCE:

Mark Atherton	GMCA
Simon Nokes	GMCA
Sarah Mellor	GMCA
Sean Owen	GMCA
Joanne Heron	GMCS
Kerry Bond	GMCA
Jenny Hollamby	GMCA
Megan Black	TfGM
Nicola Kane	TfGM

GMGCRP/37/20 INTRODUCTION AND APOLOGIES

In the absence of the Chair, who had submitted apologies for the meeting, the GMCA'S Deputy Environment Portfolio Lead from Tameside Council Chaired the meeting. The Chair opened the meeting and welcome everybody present.

Apologies for absence were received from Councillor Andrew Western (Trafford Council), Hisham Elkadi (University of Salford), Phil Korbel (Cooler), Carl Moore (Homes England), Chris Oglesby (Bruntwood) and Sarah Price (NHS).

Anna Bell from Suez was welcomed to her first meeting of the Partnership, replacing Richard Jenkins.

GMGCRP/38/20 CHAIR'S ANNOUNCEMNTS AND URGENT BUSINESS

Whilst there was no urgent business, the Chair explained that a supplementary agenda was published and circulated to the Partnership on 15 October 2020, which contained agenda items:

- 6 – Challenge Group Update Presentation
- 9 – Greater Manchester Clean Air Plan
- 10 – 5 Year Transport Plan Update

The items would be considered at the relevant points within the agenda.

The Chair reported, since the last meeting:

- A successful Green Summit had been hosted. Thanks were given to all Partnership members, particularly Challenge Group Chairs, for the excellent content. Thanks were also due to the sponsors of the event, Electricity North West, Manchester University (Royce Institute) and Suez.
- A number of initiatives that had been developed by the Partnership were launched at the Summit, including the Energy Innovation Agency (with University partners), Fuel Cell and Hydrogen Strategy (with MMU) and the GM Environment fund (with Lancashire Wildlife Trust).
- Greater Manchester had been successful in bidding for £4.7m of Green Homes Grant funding to support retrofit of energy efficiency measures in fuel poor homes before March 2021.

GMGCRP/39/20 DECLARATIONS OF INTEREST

There were no declarations of interest received at the meeting.

GMGCRP/40/20 TO APPROVE THE MINUTES OF THE LAST MEETING DATED 24 JULY 2020

The minutes of the previous meeting dated 24 July 2020 were presented for approval.

Arising from minute GMGCRP/22/20 it was noted that a new Char and Vice-Chair of the Sustainable Consumption and Production Challenge Group were required. The first meeting of the Green City Board, which included ten Local Authority Lead Environment Members, would take place on 23 October 2020.

Arising from minute GMGCRP/26/20 it was reported that the One Year Plan and Green Skills would be considered at the next meeting.

Resolved/-

That the minutes of the last meeting held on 24 July 2020 were approved as an accurate record.

GMGCRP/41/20 PROGRESS REPORT 5 YEAR ENVIRONMENTAL PLAN (YEP)

The Partnership considered a report that provided the usual update on progress on delivery the 5YEP and the work of the Green City Region Partnership for the second quarter of 2020/21.

They key points were:

- The Decarbonisation of Heat Research (DEEP) final report was produced, which identified 37 projects/schemes and led to continued discussions with BEIS on Phase 2.
- Decarbonising of Public Estate (DoPE) soft market testing had been completed. Reports had been shared with asset owners in readiness for the £1b Public Sector Decarbonisation Fund, announced in August 2020, with a focus on reducing carbon emissions associated with heating buildings.
- 32 buses had been upgraded to electric by Stagecoach and 162 retrofits completed through Clean Bus Technology Fund (CBTF).
- Carbon Literacy had developed a Local Authority toolkit, which was launched at the Green Summit. Blue Light version would be released shortly.
- In the next quarter, a report on onshore wind potential on Local Authority Land would be completed and research on local levers/procurement would be commissioned. Commission development of new Green City Region website to be launched in January 2021.
- Attention was drawn to Annex A of the report. It was advised that Greater Manchester's carbon emissions for 2018 were down (2.3%) compared to 2017, which was smaller than expected and behind the anticipated trajectory for the Greater Manchester

Strategy (GMS) and 5YEP. The Partnership discussed views about how carbon reduction measures could be accelerated further.

- Work was taking place with the NHS to assess decarbonisation opportunities.

Resolved/-

The Partnership noted the progress outlined in the report and the latest position set out in the dashboards attached to the report at Annex 1 – Environment Performance Overview and Annex 2 – 5 YEP Plan Key Performance Indicators (KPIs).

GMGCRP/42/20 CHALLENGE GROUP UPDATES

The report was introduced by the GMCA's Director of Environment, which outlined progress made by the 5YEP Challenge Groups in developing their key priorities through Task and Finish Action Groups.

The report was accompanied by a presentation by the Challenge Group Chairs that provided an updated overview of the Challenge Group priorities and how these were being delivered through Task and Finish Groups.

The main points referred:

- Although the Challenge Group's progress was substantial, there needed to be wider engagement to encourage action and innovation by more people/organisations. A review of the Mission Based Approach was proposed. The Chair suggested and the Partnership agreed, that University College London be asked to present their findings at the next meeting.

- A question was raised about the work on natural assets particularly the work being undertaken by Lancashire Wildlife Trust in the carbon landscapes project and the ambition to restore 50% to 75% of the moss lands to peat bog. Much of this land was in Salford and the Mayor of Salford had written to the Secretary of State to step up and fund peat bog restoration. It was hoped that the Board would support this call. The Chair of the Natural Capital Group supported the Member's comments. Evidence from Natural England had shown that this was even more important, had the ability to absorb carbon and would contribute to Greater Manchester's targets. It was envisaged that landowners would change their behaviour and there would be a financial benefit. Turf growing had to stop as it was a carbon emitter. The Group was offered a site visit.

- A question was asked about sustainable diets and if there was merit in having a strategic partnership with the Vegetarian Society. It was reported that work was taking place with the Greater Manchester Food Board. Food quality and good consumption habits were not just good for health but was also good for the environment. It was a key area that needed focus. Engagement would take place with the Society and other food groups on behaviour change. A Member commented that 28% of the residual waste bin was food.

- In terms of peat bogs, a Member asked if that included burning for grouse shooting. It was explained that the main problem in Greater Manchester were the accidental fires, which had caused a massive amount of damage. If those areas of land were wet then that would dramatically reduce the risk. Burning for grouse shooting was not a particular issue for Greater Manchester.

Resolved/-

1. The Partnership noted the progress in developing the Mission Based Approach and the associated Challenge Groups and Task and Finish Groups activity.

2. That University College London present their findings at the next meeting.

GMGCRP/43/20 ENERGY MASTER PLANNING PRESENTATION

A presentation was received by Electricity North West's (ENWL) Chief Executive and Cadent's Director of Strategy, which summarised the Cadent/ENWL Carbon Pathways for GMCA and explained how ENWL would use this work as the basis for its RIIO-ED2 business plan to be negotiated with the Office of Gas and Electricity Markets (Ofgem).

ENWL and Cadent were thanked for their report and informative presentation. The Chair suggested and the Partnership agreed that Officers work with ENWL and Candent to define how the actions in the report could be delivered and a report be considered at a future meeting.

A question and answer session took place following the presentation. The main points referred:

- A question was raised about air source heat pumps and how these would be promoted to traditional developers. Mention was also made about potential for mass unemployment following Covid-19 and how to create job opportunities. In response, the issue with heat source air pumps for the 20 to 30 coldest days of the year they could not cope with the heat capacity required without significant insulation, and that was why a lot of the hydrogen on the heat chart were hybrid solutions. However, if there was a technological breakthrough this would change. Changing building regulations to provide electric heating in new build would also have an impact. There was a big role to play in kick starting the transition. In terms of job creation, a massive amount of work was required in the next 30 years, which would provide job opportunities.
- The Chair enquired about the hydrogen plant at Ellesmere Port and asked how Greater Manchester could play a part in hydrogen production and create a hub of industry. The North West Hydrogen Alliance was focussing on this with a number of different organisations. The facility at Ellesmere Port would be a blue hydrogen facility taking advantage of existing waste hydrogen. Electricity could be saved for the months hydrogen could not provide heat. ENWL and Cadent had developed a roadmap but more detail was needed.
- A Member asked about retrofit particularly new build and enquired when would legislation and building regulations be changed to take on board these

recommendations. Work was taking place within GMCA to influence the new building regulations in 2025. It was envisaged that the Energy White Paper might well reference this.

Resolved/-

1. That the presentation be received and noted.

2. That Officers work with ENWL and Candent to define how the actions in the report could be delivered and a report be considered at a future meeting.

GMGCRP/44/20 LOCAL ENERGY PLANNING

Consideration was given to a report that outlined the progress made in commissioning the production of Local Area Plans for the Greater Manchester region and its ten Districts.

The report complemented the previous presentation – Energy Master Planning (minute GMGCRP/43/20 refers). It was reported that Local Area Energy Plans would form the basis of how Local Authorities could plan future energy supply and demand at the local level, utilising the evidence provided by the Energy Master Planning report and other sources.

The main point referred:

- BEIS reported that Greater Manchester was one of the first regions to do this and was very interested on how it would be delivered but also ensuring a consistent methodology be developed to be used across the country. BEIS would be interested in the Government structures that made this happen, the scales of that work, the data and most importantly any barriers. BEIS was keen to work with the GMCA.

Resolved/-

The Partnership noted the progress made in commissioning the production of Local Area Energy Plans.

GMGCRP/45/20 COMPREHENSIVE SPENDING REVIEW & FUNDING BIDS UPDATE

The GMCA's Director of Environment's report provided an overview of Greater Manchester's low carbon ambition to develop a Smart Energy Transition Region as part of its submission to Government as part of the Comprehensive Spending Review (CSR).

The paper also outlined related funding bids that Greater Manchester had either secured or, subject to approval, intended to bid for.

Although there was no guarantee of success in CSR bidding, there were elements of the approach being presented, which were already underway and opportunities to bid for existing Government funds which would provide the base to make progress.

The Chair encouraged elected Members present to ensure their Districts were engaged with GMCM Officers to develop substantial bids for available funding streams.

The Partnership asked the following questions:

- A comment was made about the need for longevity of programmes backed by funding so the green goods and services sector could actually invest and get a return on that investment. Attention was drawn to a piece of work that had been undertaken with Green Growth Hub on the green goods and services from social landlords. A number of barriers had been identified and discussions were taking place with BEIS and the Social Housing Regulator to resolve the issues.

- BEIS commented that the bid was comprehensive and ambitious, which was great to see. It was asked, which sections of the bid required the Government to move on and which could start now that did not have barriers. It was explained that most of what had been outlined today could be undertaken without any regulatory change or without additional powers. It was suggested that an energy body was needed to bring together energy efficiency and energy generation was. It was a way to bring distribution network operators, gas operators with asset owners together with the regulator along with new innovative technologies. It was about developing a relationship with the regulator at the sub-national level to work with them to trial and test technologies as they became apparent. Discussions had started with Ofgem but there was a resource issue. The Local Energy Planning process was a way to move forward in a more cohesive way.

- An attendee asked if the Digital Infrastructure Group had been consulted. It was clarified that the Group had been involved and work was joined up.

- A statement was made about markets and flexibility. Ofgem in July 2020 had released a consultation - Sector Specific Methodology, with a deadline of 1 October 2020. A big part of that was flexibility, local markets and energy trading. ENWL was working on a plan to bring that forward.

Resolved/-

That the Partnership:

- Noted the Smart Energy Transition Region concept submitted as part of Greater Manchester's CSR proposals (Annex 1 of the report).

- Noted that Greater Manchester had been successful in attaining £4.7m for delivery of Phase 1 of the Green Homes Grant (Local Authority delivery).

– Noted that, subject to approval, Greater Manchester intended to bid for funding under the Public Buildings Decarbonisation Fund and would consider a bid into the Social Landlords Demonstration Fund if requested to do so by Greater Manchester social landlords.

GMGCRP/46/20 GREATER MANCHESTER CLEAN AIR PLAN

The report, introduced by Transport for Greater Manchester's (TfGM) Head of Logistics and Environment that explained Greater Manchester had launched two major public consultations to get a wide range of views on the city-region's plans to reduce harmful air pollution on local roads and to introduce minimum standards for all taxis and private hire services licensed in the region.

The report was accompanied by a presentation that provided an overview of the Greater Manchester Clean Air Plan and Greater Manchester's Minimum Licensing Standards consultation.

Resolved/-

That Partnership:

1. Received and noted the report.

2. Agreed to promote the consultations and provide their views at cleanairgm.com and gmtaxistandards.com.

GMGCRP/47/20 5 YEAR TRANSPORT PLAN – UPDATE

A presentation on the Greater Manchester Transport Strategy 2040 and 5 Year Transport Delivery Plan (2020-25) was provided by TfGM's Head of Strategic Planning and Research.

Resolved/-

That the presentation be noted.

GMGCRP/48/20 GREEN SUMMIT 2020 REVIEW

Consideration was given to a report that provided a post Green Summit review, which included the organising Team's experience of delivering the first large scale GMCA, virtual Summit and provided recommendations to enable future delivery of impactful, virtual events.

Resolved/-

That the Partnership noted that the GMCA would commence planning and development of the Green Summit 2021 with the assistance of experts from the Communications and Engagement Challenge Group, in-line with the aims of COP26 taking place in November 2021.

GMGCRP/49/20 GREATER MANCHESTER HOUSING PROVIDERS – BUILD BACK BETTER COMMITMENT

The Build Back Better and Greener for Greater Manchester document, which was the social housing sector's response to Covid-19 for Greater Manchester.

Resolved/-

That the document be received and noted.

GMGCRP/50/20 DATES AND TINES OF FUTURE MEETINGS

That all meetings would be held virtually unless otherwise stated on:

- Monday 25 January 2020 at 10.00 am
- Friday 12 March 2020 at 10.00 am

It was agreed that the 25 January 2020 meeting be moved forward to late December 2020 in light of the upcoming purdah period.

Resolved/-

That the meeting on 25 January 2020 be reorganised for December 2020.

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ITEM 05

GREATER MANCHESTER GREEN CITY REGION PARTNERSHIP

Date: **1st December 2020**

Subject: **PROGRESS REPORT – Q3 (Oct-Dec) 2020**

Report of: **Mark Atherton, Director Environment, GMCA**

PURPOSE OF REPORT

The report provides the usual update on progress of the Green City Region Partnership for the third quarter of 2020/21.

RECOMMENDATIONS:

The Partnership is recommended to:

- Note and comment upon the progress outlined in this report and latest position set out in the dashboards attached at:
    a. Annex 01 (Environment Performance Overview) and
    b. Annex 02 (5 Year Environment Plan KPIs).

CONTACT OFFICERS:

Contact Officer: Mark Atherton, GM Director of Environment
Mark.atherton@greatermanchester-ca.gov.uk

1.0 OVERVIEW OF PROGRESS

The updates at Annexes 05a (Performance Overview) & 05b (5 Year Environment Plan Performance) contain a summary of key achievements during the last quarter across the areas within the 5 Year Environment Plan. There are a number of key successes to be highlighted, set out below:

Energy

- Energy Systems Catapult (ESC) has been commissioned to deliver Local Area Energy Plans (LAEPs) with commencement of Phase 1 District level plans and stakeholder engagement.
- Unlocking Clean Energy for GM - finalisation of the Partner Agreement between ESC and MCC, Rochdale, Salford, Stockport and Wigan Las undertaken. Oldham formally left the consortium in Q3 and options to use their budget are currently being explored. Virtual Project Implementation Visits (PIV) are currently underway.
- DEEP Phase 2 - outline business cases development has commenced on a number of project/schemes with GM focusing on decarbonisation of heat in social homes.
- Previous on shore wind studies are being revisited to ascertain viability of projects which could be developed.
- £80.7m application made to the Public Sector Decarbonisation fund.

Buildings

- Currie and Brown study provided evidence for minimum targets for new build and this is incorporated within a draft policy for GMSF.
- Demographic study on retrofit being completed across GM which will compliment the stock condition modelling being undertaken across the region.
- Green Homes Grant (GHG) LAD Scheme Phase 1 - £4.7m is now live across all 10 districts, with an active social media campaign and 45,000 direct letters. The first round of homeowner surveys has been completed with delivery due Jan to Mar 21.
- GHG LAD Phase 2 - circ £15m is currently under development.
- LEAP referrals are down due to the impact of the pandemic. Marketing budget for Facebook advertising has been offered to LAs to assist with driving further referrals.
- The 3rd iteration of the STEP-IN Living Lab has concluded, with data analysis now being undertaken by UoM in advance of project closure in March 2021.

Transport

- Mayor's Challenge Fund - 56 schemes with CA development cost approval (total of 82 schemes granted programme entry) – combined value of £31.1m (inclusive of November); 17 work packages granted full approval for delivery with a value of £35.5m (inclusive of November); and £15.8m additional funding secured via DfT Active Travel Fund (phase 2). This will be used by GM councils to deliver over 20 miles of new walking and cycling network plus GM-wide initiatives to get more people walking and cycling.

- Be.EV - Financial modelling underway internally before proposal presented to CA before year end. 1800 members to the new network currently.
- Rapid charging installs now up to 7 in Oldham, Wigan, Stockport, Salford and Tameside. Engagement started with taxi trade regarding positioning of 30 EV chargers dedicated to Hackney/PHV.
- Dialogue is continuing with DfT to ensure GM gets a fair allocation of £120m announced in the CSR (and future) national funding.
- Market sounding exercise to be completed in November to investigate potential procurement models for the 23 electric buses and related infrastructure.
- Retrofit works continuing through the Clean Bus Technology Fund. This is 75% complete (total 280).

Sustainable Consumption and Production

- Draft specification for tender on 'Creating behavioural change through the use of local levers' complete. Currently with GMCA Procurement.
- UoM led 'One Bin to Rule Them All' - £1.5M collaborative project (circularising plastics) successful. GMCA are a supporting partner.
- MMU's `CirMap' 3 year £6M project successful, looking for 5 LAs to support with locations for customised concrete furniture made by 3D printing from waste concrete.
- Interim report received on Public Sector single use plastics. Awaiting data from 6 Districts.
- Planning permission submitted for HWRC re-use shops at Woodhouse Lane, Altrincham; Boysnope Wharf, Eccles; and Arkwright Street, Oldham.
- Paper and cardboard contamination campaign ongoing across 9 Districts.
- Bio-waste treatment options report received. In each case, our current arrangement is the lowest cost but yields the lowest carbon savings.
- Buy, Eat, Keep, Repeat campaign launched in November in Oldham to encourage residents to reduce and recycle their food waste.

Natural Environment

- The Local Nature Recovery Strategy (LNRS) pilot is now up and running. A Steering Group has been established and initial mapping and baselining complete.
- The next steps for the GM Peatland Restoration pilot agreed including identification of a target and associated indicator for the GM 5-Year Environment Plan.
- Natural Course Project - Phase 3 work ongoing including draft management plan produced for Bankfield Clough SBI in Oldham, revised programme of activities for work on Moston Brook and removal of weir on River Tonge.
- BNG Action Plan redrafted to now include 9 actions down from 17. Chat Moss Habitat Bank BNG Credit Scheme pilot launched.
- IGNITION - Green Infrastructure Baseline for urban GM completed; future funding streams work-plan agreed for next 6 months focussing on parks trusts, SuDS co-investment in target neighbourhoods, and green roofs retrofit cost-benefit analysis; NBS Living Lab phase 1 completed and launched, with phase 2 due to commence construction in December 2020.

- Environmental Finance finalising GMEF cashflow model and funding request ready to engage with funders including foundations and EAs Investment Readiness Fund due to open early 2021.
- Work underway with EA, UU, TFGM and GMCA research team to develop a blue infrastructure map to be hosted on MappingGM.

Communications

- Tender specification for a new Green City Region website in development.
- GMFRS version of carbon literacy to be made into an online deliverable course. Local Authority toolkit already available.

2.0 KEY ANTICIPATED ACTION IN THE NEXT QUARTER

2.1 As a priority, the following activities will be delivered in the next Quarter:

Energy supply

- LAEP - Phase 1 District level plans and initial data collection to be completed.
- Draft outline business cases to be completed for DEEP Phase 2.
- Onshore wind study review completed, with outcomes fed into Go Neutral 2 where applicable.
- Energy Innovation Board to be established.
- Await outcome of application made to the Public Sector Decarbonisation fund. Mobilise and commence delivery if successful.
- Unlocking Clean Energy for GM (ESC Project) - Appointment of Owners Engineer consultants for initial four projects at Manchester Velodrome, Chamberhouse Farm (Rochdale), Little Hulton solar farm (Salford) and Endeavour House (Stockport).

Buildings

- GHG LAD Scheme Phase 1b application will be submitted December 3rd for circ £5.5m. If successful this will run Mar to Sep 21 to support homeowners, private rented and housing providers to receive home improvement measures where the household income is under £30,000 per annum.
- Demographic study on retrofit to be completed that will inform the next steps of the retrofit accelerator.
- Further exploration of renewable energy tariff opportunities as well as other strategies including power purchase agreements.
- If successful, deliver public sector decarbonisation scheme projects (Submetering has been included within the bids in order to effectively monitor building energy performance).
- LEAP visits to continue and impact of Covid-19 to be monitored.
- STEP-IN project closure report to be finalised and produced with dissemination event to be planned amongst local stakeholders.

Transport

- Mayor's Challenge Fund - 38 further business case submissions forecast in 20/21, with an estimated value of £131m; continued development of Active Travel Fund schemes and projects; GM bike hire progression with best case scenario service provider identified.
- Review and analyse Clean Air GM consultation responses to inform the FBC prior to final submission in the late spring early summer.
- Progress necessary stakeholder approval for introduction of Be.EV tariff/membership offer.
- Gain agreement of TfGM EVI strategy throughout the 10 LA areas.
- Re-introduction of education events on EV via online workshops (targeted at business and hackney/PHV drivers).
- Procurement strategy for 23 electric buses to be developed.
- Complete business case report with details of options to accelerate the roll out of zero emission buses.
- Bus retrofit works and installation of all 25 rapid charging devices to be complete by March 2021.

Sustainable Consumption and Production

- Local Levers tender submissions expected end of January 2021. Project to be completed by end April 2021.
- Opening of HWRC re-use shop at Altrincham on 18th Jan 2021, Eccles on 15th Feb 2021 and Oldham on 8th March 2021.
- Complete report on Public Sector single-use plastic spend including procurement decision tree and model wording.
- Recycle Right campaign (all waste streams) to launch in March 2021 across 9 Districts.
- Continue preparation for the second round of consultations on England's Resources and Waste Strategy.
- Follow up to letter sent to Chris Preston, Deputy Director, Resources and Waste. Meeting to be arranged to discuss concerns over Waste and Resources strategy and lack of local decision making.
- Draft outline food strategy to be completed.

Natural Environment

- Complete draft LNRS for Defra as part of pilot.
- Natural Course - commission consultants to carry out habitat survey of Whittle Brook; commence Natural Course Phase 4 planning; commence study of micro-plastic contamination of GM rivers; commission consultant to identify priorities for future barrier removal on River Croal tributaries.
- Production of management plans for three further wildlife sites and consider how the sites can be prepared for Biodiversity Net Gain investment.
- Submission of United Utilities proposal focused on catchment management of phosphorus, tackling invasive species and SuDS.

- BNG - training to be delivered by CIEEM, WSP and Jacobs; following identification of funding, brief to be prepared for habitat banking support for LAs; Chat Moss BNG Credit Scheme Pilot to be delivered.
- IGNITION - Engagement programme with LAs to continue; research into future funding streams to continue as per work plans; construction of the NBS Living Lab nearing completion.
- Final outputs from Environmental Finance support to be completed and agreed at GMEF Advisory Group meeting in January 2021. Environmental Finance to engage with potential funders to secure pump priming requests to support pilot investment models. Website developed and formal launch of GMEF.
- Commitment on EA flood risk investment programme expected to be confirmed Jan 21.

Communications

- Procurement of Green City Region external website.
- Planning commenced on 2021 Green Summit to align with COP26.
- Rollout of Carbon Literacy training across GMCA and ensure FRS course is developed into an effective online course.

3.0 IDENTIFIED RISKS AND EMERGING ISSUES

3.1 Officers and sub-groups have identified a number of risks to existing, and particularly future, programme delivery. Mitigation of these risks, as far as possible, will be managed by the responsible Accountable Body.

In terms of the priorities set out in the 5 Year Plan, the following areas remain flagged as "red" (see Annex 01 - *Environment Performance Overview*).

Key risks:

- Failure of the 5 Year Environment Plan to achieve a step change in reducing carbon emissions. The challenge has been shown by the recent release of data for 2018, which showed a smaller reduction of 2.3% in estimated emissions (3.7% reduction in 2017). The data lag in the trajectory to the 2020 Five Year Plan target has increased with actual performance lagging by 23%.
- Failure to meet ambitious recycling and waste diversion targets. Current household waste recycling rate is 48%. Unverified figures for 2019/20 show no increase in recycling rate, remaining at around 48%. With diversion from landfill increasing to over 98%. Measures continue to be implemented to increase recycling rates at HWRCs and household kerbside recycling to deliver against 2025 target.
- Failure to deliver the aims of the IGNITION project. This is being managed through the governance arrangements in place for the project.

Work programme issues:

- The decarbonisation of GM's homes through deeper whole-house retrofit. This is being mitigated by the publication of a *Retrofit Report* to set the priorities and framework for action and, as part of that, the development of proposals for a *Retrofit Challenge Group*. GM has also joined a consortium, led by the UK Green Buildings Council and including West Yorkshire, London and the West Midlands and funded by Climate-KIC to develop proposals for city-led retrofit. A Retrofit Accelerator tender is due to be released to gain consumer and demographic insight across GM. This will be utilised to compliment the retrofit/stock condition modelling in order to propose a Retrofit Accelerator proposition to the GM market. Additionally, the GM skills team are producing a Skills Action Plan to support the varying areas of retrofit.
- Delay in delivery of the GM Resilience Strategy. The Resilience Strategy is under review in light of Covid-19, and a one-year living with Covid plan is being drafted.

4.0 RECOMMENDATION

The Partnership is recommended to:

- Note and comment upon the progress outlined in this report and latest position set out in the dashboards attached at:

    a. Annex 01 (Environment Performance Overview) and
    b. Annex 02 (5 Year Environment Plan KPIs).

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5yr Env Plan Performance Overview

2038 Carbon Target	Costs	Resources	Overall Delivery
Red	Green	Green	Amber

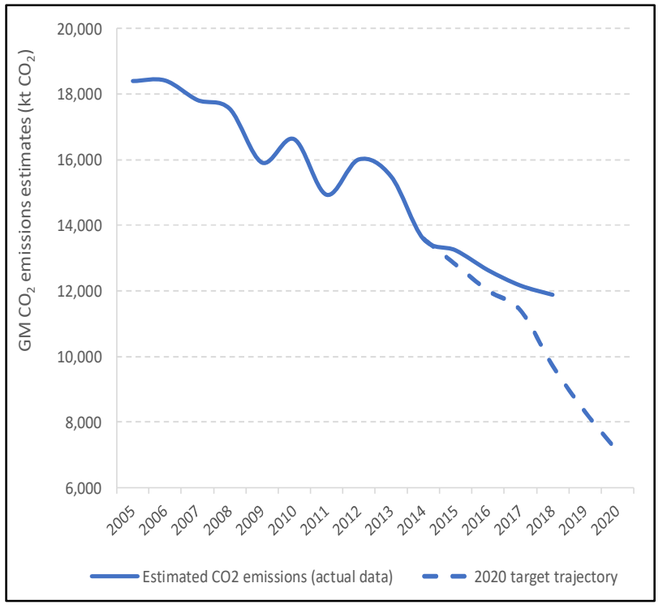
Priorities/KPIs

Ref	Priorities (2024)	Status	
Energy	Reduce CO2 emissions that are produced by the energy we generate to power our buildings, transport and heat - shifting to renewable sources.	↑	Amber
Buildings	Reduce CO2 emissions that are produced by the energy we generate to power our buildings, transport and heat - shifting to renewable sources.	↑	Amber
SCP	Promote economic and resource productivity, eliminate waste and increase business opportunities through innovation.	↔	Amber
Natural Env.	Protect, maintain and enhance our key natural assets (air, land, water and biodiversity).	↔	Green
Climate Change	Deliver robust action on climate adaption to protect vulnerable communities, our economy, key infrastructure and our natural environment.	↔	Green
Transport	Improve our air quality and reduce C02 emissions that are produced by the way we, and the goods we use, travel within our city region.	↑	Green

Key Risks

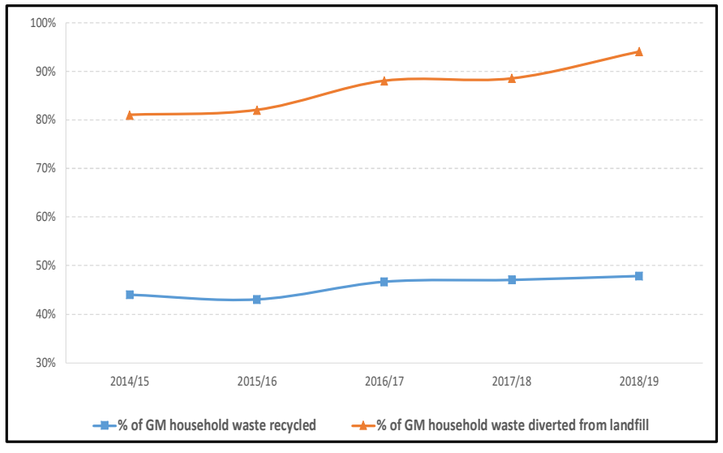
Risk Event	Risk	Mitigation Plan	Post Risk
Failure of Environment Plan to achieve a step change in carbon emissions.	Red	Regular reporting to LC Programme Group, LC Hub Board and WLT.	Amber
Level and depth of retrofit required to meet our overall ambitions is highly challenging.	Red	Focus on retrofit accelerator proposals as way of overcoming these barriers in a coordinated way.	Amber
Failure to meet recycling and diversion targets.	Red	New contract in place. Waste composition will assess feasibility of achieving targets. Waste and Resource strategy to be developed.	Amber
Failure to deliver the aims of the IGNITION project and attract private investment.	Red	Regular reporting to LC Programme Group, LC Hub Board and WLT.	Amber
GM Resilience Strategy delayed.	Red	GM Resilience Strategy is being reviewed in light of Covid-19, and a one-year living with Covid plan is being drafted.	Amber
Decarbonising freight transport and shifting freight to rail and water transport.	Amber	Refreshed working draft of GM Freight Strategy includes critical importance of environmental issues and how policy can assist with freight-related emissions targets.	Green

GM CO2 Emissions (kt CO2)



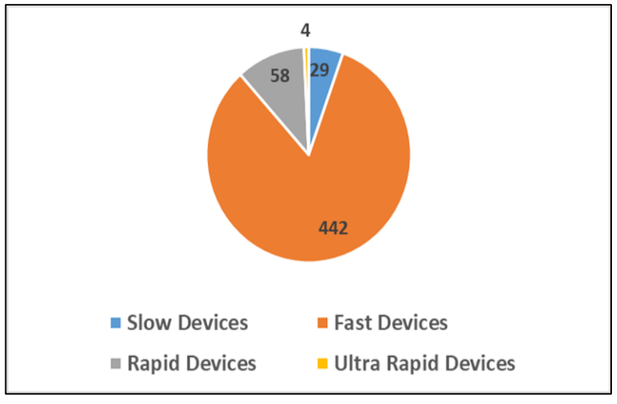
GM estimated emissions data for 2018: 11,883 kt CO_2, down 282 (-2.3%) compared to 2017 (12,165 kt). The reduction is smaller than that seen between 2016 and 2017, when estimated emissions were down 469kt (-3.7%) over the year. GM is behind the anticipated trajectory towards the 2020 Greater Manchester Strategy and GM Five Year Environment Plan target of 7,100 kt; the 2018 target position is 9,700 kt, with actual performance lagging this by 23%.

Waste and recycling diverted (excludes Wigan)



Recycling rate (2018/19) is 47.9% up 0.8% from 2017/18 against a target of 55% for 2024. Landfill diversion rate (2018/19) is 94%. Unverified figures for 2019/20 show no increase in recycling rate, remaining at around 48%. With diversion from landfill increasing to over 98%.

GM EV Device Count as at 13/07/2020



ZAP MAP

Supporting indicators

4,951 plug-in vehicles registered at end Q1 2020. Increase of 51% from 2018.
7 rapid charging devices installed and operational (Target 25 by end Mar 21)

280 buses retrofitted to date through clean bus technology fund (75% complete)
32 full EV buses deployed by Stagecoach

86.9% of GM lodgements have an energy efficiency rating of D or above (EPC/DEC) in Q2 2019. This is a slight decrease from Q2 2018 of 0.7%.

53,7173 trees planted in GM since 2016 (54% of 2024 target)
1.5MW additional local renewable energy

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5-Yr Environment Plan KPIs

5-Year Environment Plan Priorities

Ref	KPIs (2024 Opportunity)	Status		Delivery	Delivered	In development
E1	Increase local renewable energy (electricity) generation, adding at least a further 45MW by 2024.	↑	Amber	GM Solar Together ERDF solar energy projects	1.5MW delivered through GM Solar PV Phase 1	21.4MW in development
E2	Decarbonise how we heat buildings, adding at least a further 10TWh of low carbon heating by 2024.	↑	Amber	Heat Pump Accelerator: AoR DEEP project delivery		37 projects identified under DEEP phase 1. DEEP phase 2 commenced.
E3	Increasing the diversity and flexibility of our electricity supply, adding at least a further 45MW of diverse and flexible load by	↑	Amber	LEM project		GM LEM project commenced in July 20
B1	Reduce the heat demand from existing homes with retrofit measures installed on a scale of 61,000 homes per year, achieving 57% reduction in heat loss.	↑	Red	LAEP, ECO, Warm Homes Fund, HAES, Green Homes Grant, SLDF		ESC commissioned to deliver LAEP Ongoing installations under the Connected for Warmth scheme.
B2	Reduce the heat demand from existing commercial and public buildings with a 10% reduction by 2025. Increase in energy certificate ratings D or above.	↑	Amber	DoPE Soft Market test MCC Re:Fit contract Heat Pump Accelerator: AoR	DoPE soft market test completed. 86.9% of GM lodgements have an energy efficiency rating of D or above (EPC/DEC) in Q2 2019. Overall we outperformed the national average by more than three percentage points in the Q2 2018 data	
B3	Reduce the heat demand in new buildings.			TBD		Measures on reducing heat demand in new buildings will be included in revised GMSF.
SCP1	Producing goods and services more sustainably, moving to a circular economy. 38% reduction in industrial emission by 2025.	↔	Green	CE Resource Flow Mapping, SCP Framework, Sustainable Procurement Project delivery: REDUCES, CircBe, Transforms 3D, R3 One Bin		SCP Framework drafted. Work commenced on CE Mapping. One to 'Bin to Rule Them All' research project to commence December 2020 on plastics circularity.
SCP2	Becoming more responsible consumers - limiting any increase in waste to 20%.	↑	Green	Public Sector Plastic Pact Delivery of waste prevention campaigns, Plastic Free GM & Refill & Reuse	Currently 9% increase in household residual waste yr on yr (this is within target). GM Refill pilot launched in 2019. 'Grab your Cup' reusable pilot delivered in Jan 2020.	Commenced Public Sector single-use plastic spend review - Catering Planning permissions submitted for re-use shops at 4 HWRCs. First shop due to open in January 2021.
SCP3	Managing our waste as sustainably as possible to achieve a recycling rate, 55% by 2024, and 65% by 2035.	↔	Amber	GM Waste Strategy Waste scenario modelling Delivery of recycling campaigns (household)	47.9% recycling rate (Household exl Wigan) for 2018/19. Unverified figures for 2019/20 show no increase in recycling rate, remaining at around 48%. With diversion from landfill increasing to over 98%. Paper and cardboard contamination campaign across 9 Districts. Bio-waste treatment options detailing lowest price and best environmental baseline options complete.	Recycle Right campaign (all waste streams) to launch in March 2021 across 9 Districts.
SCP4	Reduce unnecessary food waste.	↑	Amber	Input to GM Food Strategy Household food waste prevention campaigns	Food waste prevention campaign - Buy, Eat, Keep, Repeat launched in Oldham.	Work commenced on outline food strategy.
NE1	Managing our land sustainably, including planting 1m trees by 2024.	↑	Green	Nature Recovery Network GM Peatland Restoration Pilot		Final GM Peatland Restoration Pilot report approved by Defra and will feed into the forthcoming England Peat Strategy.
				Tree and woodland strategy	537,173 trees planted against 1 million target by 2024 (54% of target).	
NE2	Managing our water and its environment sustainably.	↑	Green	Natural Course Phase 3	47km of water body enhanced in 2016-2018. Target of 542km by 2027.	
NE3	Achieving a net gain in biodiversity for new development.	↑	Amber	Biodiversity Net Gain Guidance & Action plan development	BNG Action Plan finalised and shared with LPAs with key priorities identified.	NE to identify key priorities in BNG Action Plan to deliver over next 6 months.
NE4	Increasing investment into our natural environment.	↑	Amber	IGNITION project GMEF investment strategy		IGNITION project underway. Investment strategy to be developed by Environmental Finance.
NE5	Increasing our engagement with our natural environment.	↑	Amber	Natural Environment Toolkit Urban Pioneer	Natural Environment Toolkit launched September 2020	
CC1	Embedding climate change resilience and adaptation in all policies.	↓	Amber	Policy development including Resilience Strategy		Resilience Strategy in development - currently differed for 6 months.
CC2	Increase the resilience of and investment in our critical infrastructure.	↑	Green	Greater Manchester Infrastructure Strategy		Briefing for additional GIS analysis complete.
				Flood risk policy in GMSF		Flood risk policy has been drafted
T1	By 2040 increase the use of public transport and active travel modes to support a reduction in car use to no more than 50% of daily trips made by Greater Manchester residents with the remaining 50% made by public transport, walking and cycling.	↔	Green	Increase use of sustainable modes of transport	Current ratio of journeys made by car vs sustainable modes of transport is 39/61 against a target of 50/50 for 2040.	Planning and design for 55 miles of protected routes and 140 junctions to be implemented in 2021. Continued development of Active Travel Fund schemes and projects.
					28.5% of all trips made by cycling/walking in 2017/18 up from 27% in 2015/16.	
T2	Phase out of fossil-fuelled private vehicles and replace them with zero emission (tailpipe) alternatives and implement a charging infrastructure to support expansion of 200,000 EV vehicles in our city-region by 2024.	↑	Green	Phase out of fossil-fuelled private vehicles and replace them with zero	5,090 plug-in vehicles registered at end Q2 2020, 3% increase from Q1 2020. 56% increase from 2018.	Expansion of the city region's Electric Vehicle charging network ongoing.
				Implement a charging infrastructure to support expansion of 200,000 EV vehicles	GM Zap Map data as of 13/07/2020: 4 ultra-rapid charges (-), 58 rapid charges (+2), 442 fast devices (-4) and 29 slow devices (-). Early measures Project - 7 rapid charging devices installed and operational.	
T3	Tackle the most polluting vehicles on the road. (Up to 200,000 low carbon vehicles by 2024).	↑	Green	Clean Air Plan Bus retrofit	280 buses retrofitted to date through Clean Bus Technology Fund. Full reporting to be aligned with Clean Air Plan.	Retrofit works continuing through the Clean Bus Technology Fund. Remaining buses (25%) to be complete by March 2021.
T4	Establish a zero emissions free bus fleet. 100% of all buses are zero emissions (tailpipe) by 2035.	↑	Amber	Zero emissions bus fleet	3 zero emission buses in TfGM fleet to-date. Stagecoach deployed first of 32 full EV double deck buses.	Procurement strategy for 23 electric buses to be developed and approval sought following the conclusion of the market sounding exercise. TfGM are completing a deliverability review to understand the causes of the current slow rate of ZEB roll out. A business case report will be ready by Easter detailing options to accelerate the roll out incl.: 1) strategic value 2) affordability and funding 3)economic value 4) commercial and contractual options, and the management of delivery with reference to the potential implications of bus reform.
T5	Decarbonising freight transport and shifting freight to rail and water transport.	↑	Amber	Delivery of freight roadmap		GM Freight Strategy paused during lockdown but has now been invigorated. Draft documentation produced, and aim to speak to key stakeholders post CAP/GMSF consultation.

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GMCA GREATER MANCHESTER COMBINED AUTHORITY

GREATER MANCHESTER GREEN CITY REGION PARTNERSHIP

Date: 10 December 2020

Subject: IIPP Update on Greater Manchester's Mission-Based Approach

Report of: Martha McPherson, IIPP Head of Green Economy and Sustainable Growth and Ryan Bellinson, IIPP Senior Research Fellow in Cities, Climate and Innovation

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PURPOSE OF REPORT

The purpose of this report is to outline the main discussions and recommendations from a workshop led by UCL's Institution of Innovation and Public Purpose (IIPP) on 19 November 2020.

The workshop explored potential areas of learning and improvement that could be taken forward by GMCA's five Challenge Groups responsible for delivering activity across the city-region to support Greater Manchester's clean growth mission.

RECOMMENDATIONS:

The Board is recommended to:

- Note the progress made since setting up the Challenge Groups and their facilitation over the last year, being organised digitally from March 2020 in line with Covid-19 restrictions.
- Note the observations and learnings made about the Challenge Groups during the first year of the mission's implementation that have been analysed by IIPP.
- Note and comment on the recommendations for the Challenge Groups, particularly with regards to dynamic metrics and strengthening the culture of innovation.
- Note and comment on the recommended changes for the mission's governance structure, particularly with regards to the function of the Green City Region Partnership Board.

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Robyn Smith: Robyn.Smith@greatermanchester-ca.gov.uk

BACKGROUND PAPERS:

Information on mission-oriented innovation policy can be found in:
Missions: A Beginner's Guide

This report takes learning from the Better Regulation Executive report:
Alternative policy evaluation frameworks and tools

5-Year Environment Plan for Greater Manchester 2019-2024:
https://www.greatermanchester-ca.gov.uk/media/1986/5-year-plan-branded_3.pdf

Technical Report for GM IPR: A Mission-Oriented Approach to Clean Growth
https://www.ucl.ac.uk/bartlett/public-purpose/publications/2019/sep/mission-oriented-approach-clean-growth

1. BACKGROUND ON THE MISSION-BASED APPROACH

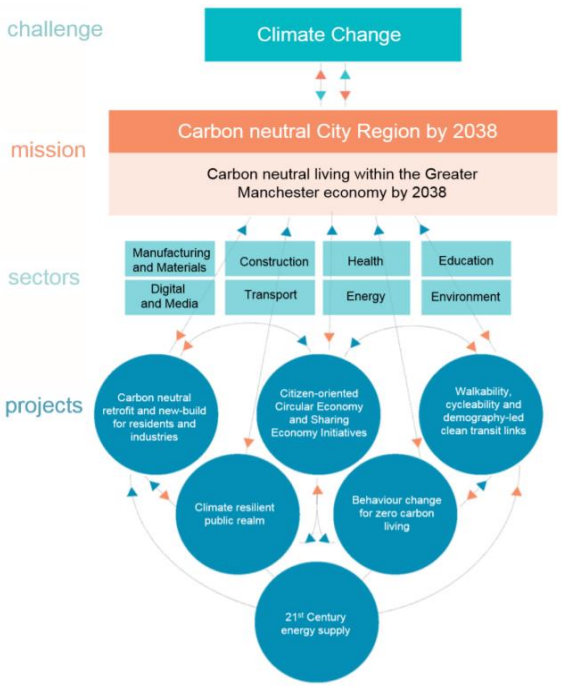
Mission-oriented innovation is a new approach to innovation. It encourages government to take on a market-shaping role, rather than a market-fixing one, and direct the market by transforming the focus of investment towards societal 'grand challenges.' Missions define an ambitious goal at a high level and use this to create a long-term policy landscape that mobilises various actors to engage in bottom-up experimentation across sectors. Whilst missions set the direction for a solution to a grand challenge, they are not created to specify how to achieve a successful outcome. Instead, missions stimulate the development of various solutions intended to meet grand challenges by enabling actors to take risks and experiment together to develop innovative solutions.

There are five criteria for the development of missions that address grand challenges[1]:

- Be bold, inspirational with wide societal relevance;
- Set a clear direction – targeted, measurable and time-bound;
- Be ambitious but realistic;
- Encourage cross-disciplinary, cross-sectoral, and cross-actor innovation;
- Involve multiple, bottom-up solutions.

Greater Manchester has taken up mission-oriented innovation for its ambition to become a carbon-neutral city-region by 2038. This mission, and the activities developed to support it, were kick-started by a research collaboration with UCL's Institute for Innovation and Public Purpose (IIPP) in 2018, which generated the hypothetical mission roadmap below.

Figure 1: Mission Roadmap for Greater Manchester – Carbon neutral living by 2038



Source: IIPP's technical report for the GMCA Independent Prosperity Review

[1] Mazzucato, M. & Dibb, G. (2019) "Missions: A beginner's guide". Available online at https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/iipp_policy_brief_09_missions_a_beginners_guide.pdf

2. METHODOLOGY: MISSION CHALLENGE GROUPS

The mission-based approach's primary delivery mechanism are five 'Challenge Groups,' comprised mainly of external stakeholders with GMCA support. The Challenge Groups are:

- Low Carbon Buildings
- Energy Innovation
- Sustainable Consumption and Production
- Natural Capital
- Communication & Behaviour Change.

Membership in the Challenge Groups is voluntary and a combination of businesses, academics, NGOs & charities, Local Authorities, and representation from GMCA. The Challenge Groups meet quarterly and are charged to liaise with GMCA policy officers to stay up to date, plan and structure work activities, and act as a sounding board to GMCA. Within each Challenge Group are several 'Task and Finish' groups – responsible for delivering initiatives that contribute towards fulfilling the group's objectives. The Task and Finish groups may be relevant to more than one Challenge Group and are intended to have a finite duration, concentrating activity to support an acute objective and adjourn once that defined objective has been met.

Through the 'Practice-based learning in Cities for Climate Action' (PELICAN) project, IIPP has observed the Challenge Groups over the previous year. We have analysed how the Challenge Groups have tried to co-create innovation through bottom-up experimentation and identified key aspects and activities of the groups that may become obstacles to progress if unaddressed. Whilst some of the Task and Finish groups have been working to deliver short-term projects, much of what the Challenge Groups were envisioned to do is support medium and long-term innovation activities that could support non-linearity, feedback loops and tipping points that, if achieved, will accelerate advancements towards the mission. To support the Challenge Groups to succeed in meeting this objective, we produced two *Observation Reports* as 'critical friends' to analyse Challenge Group activities and offer recommendations for how the groups could be improved.

3. WORKSHOP SUMMARY & OUTCOMES

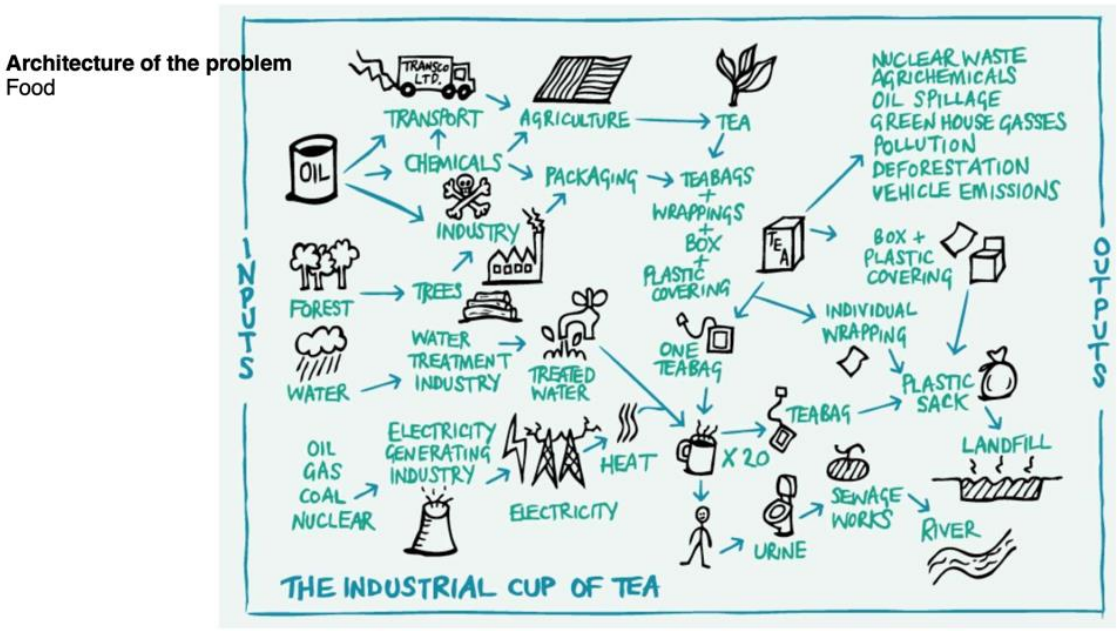
Following our observation reports of the Challenge Groups over this last year, IIPP facilitated a workshop on 19 November with the chairs and co-chairs of the Challenge Groups and GMCA policy officers represented in the groups. This workshop was designed to reflect on the Challenge Groups' activities in the first year of the mission's implementation phase and for IIPP to provide recommendations for how the groups might take different approaches in the future to improve their effectiveness. The interactive workshop focused on exploring three main themes: metrics, stakeholders, and collaborative problem-solving.

Metrics: The workshop's metrics portion focused on exploring what types of tracking measures and key preference indicators are appropriate for capturing and evaluating progress on the mission.

First, IIPP shared learnings from a recent study they produced for the Department of Business, Environment and Industrial Strategy (BEIS) on 'Alternative policy evaluation frameworks and tools.' The most relevant finding from this study was examining the difference between utilising static efficiency quantitative metrics to track progress on the mission versus developing dynamic appraisal and evaluation tools to monitor qualitative advancement. At present, the Challenge Groups predominately use quantitative key performance indicators to monitor progress towards achieving the mission. These indicators are not well suited to monitor missions because they cannot assess non-linear processes; there may not be appropriate static metrics that can meaningfully evaluate the wholistic nature of the carbon-neutral living mission; and it can be difficult to aggregate relevant data across organisations. IIPP shared examples of projects that developed dynamic evaluation tools, such as the Swedish Innovation Agency Vinnova's project on developing a sustainable food system for school meals through shifting supply chains through the leverage point of school meals (see Figure 2, which takes the same approach to systems change through tea bags). The session discussed the need to make metrics visual, and bring the narrative of achieving or missing metrics into the lives of citizens in Greater Manchester.

During the discussion, several workshop participants echoed the importance of creating dynamic appraisal and evaluation tools. One participant stated, “my worry…is that we have no way of knowing whether we’re on track with the mission or not…we’ve got to make sure that the theory of change is right.”. Whilst there is a need to measure the Challenge Group’s project delivery activities, the current mission metrics are not equipped to evaluate long-term problem-solving activities that support the innovation chain needed to meet the ‘emissions gap’ highlighted in the 5-Year Environment Plan. There was also discussion of the scope of activity that could be captured under the mission metrics – and a suggestion that all activity taking place in GM in the direction of the mission should be included as a mission achievement – “let’s talk about the leverage of what’s been done in the project…and in the wider economy…and say ‘Look at what Manchester has achieved”.

Figure 2. Reshaping the food system, source Dan Hill, Vinnova



Stakeholders: During the stakeholders discussion, GMCA team and IIPP explored the systemic characteristic of Greater Manchester's clean growth mission that requires proactively engaging with a broad range of stakeholders throughout the city-region. GMCA has successfully activated many key stakeholders in the mission already through the Challenge Groups that they had existing relationships with. For the mission to evoke impact across Greater Manchester's economy, the Challenge Groups will need to begin enlisting new stakeholders in the mission. New stakeholders could be designed to reflect an inclusive and diverse group of representatives, as well as including knowledge from across the 'innovation chain' that the Challenge Groups are aiming to impact, and there was a suggestion to expand the use of personas that has been going on in the GMCA waste and communications team to think about missions. A participant expounded on this sharing, "if we were to break down the whole picture of what we're trying to achieve…we could reach a wider footprint if they (the Challenge Group partners) were actively bringing their networks with them…That could help us then engage other actors who have the ability to make bigger change happen.".

Figure 3. Example of persona use by the United Nations Development Programme in Southern Thailand[2]

Collaborative problem-solving: Finally, the workshop explored the concept of collaborative problem-solving and its importance for implementing the mission. This part of the workshop examined whether the governance and institutional framework are currently sufficient to achieve the mission's ambition. Delivering Greater Manchester's clean growth mission and becoming carbon neutral by 2038 requires risk-taking and bold experimentation to meet the 'innovation gap' highlighted in the 5-Year Environment Plan. The Challenge Groups have, in part, been designed to facilitate this directed innovation to take place through collaborative problem-solving activities. IIPP diagnosed that "initially…there was very much a sense

[2] Available at: https://medium.com/@undp.ric/informing-the-new-normal-what-we-have-learned-from-listening-to-southern-thai-communities-cdf8ecc2753e

(within the Challenge Groups) of experimentation and …a reconfiguring of how different organisations within the groups can work together." As the Challenge Groups move into the new year, there a need to ensure they retain their earlier dynamic experimental culture to support problem-solving whilst simultaneously supporting delivery.

4. RECOMMENDATIONS

Based on IIPP's analysis of the Challenge Groups discussed at the 19 November workshop, we recommend the following actions be considered:

The Challenge Groups take active measures to retain their creative, dynamic characteristic needed to address the scale of the, whilst delivering actions that reduce emissions:

- Capacity is required to support the robust innovation chain needed to address the emissions gap. "You need to innovate and try new things at the same time as scaling up those things that you know already exist." The Challenge Groups could evaluate their own actions across a 'twin track', ensuring they are focusing on present impact and the long-term innovation activities that will enable the required scale of impact.
- Adopt dynamic metrics that can track the progress of non-linear slow problem-solving activities needed for innovation. "The Challenge Groups work in situations of inherent uncertainty." Evaluating progress with the right metrics can help carry out tasks in this environment and register the risks involved with unpredictability.
- Utilise qualitative, dynamic metrics to "tell a good story…that everybody inside the government and wider stakeholder groups can get behind and understand what's going on." This can also help 'build a movement', bringing non-expert actors into the delivery of the mission.

The Green City Region Partnership Board take on a more active, challenging role within the mission's governance structure:

- The Green City Region Partnership Board could adopt a more critical relationship with the Challenge Groups, scrutinising their decision-making and actions to ensure the direction of the Challenges Groups are aligned with the mission and enable policy change. Additionally, the Challenge Groups and the Green City Region Partnership Board could engage each other more collaboratively, "bringing problems to each other" and mutually supporting action across the hierarchical boundaries.
- The Green City Region Partnership Board could take the voice of a high-level 'critical friend', being "more challenging of officers but also of each other, calling out inaction where performance isn't good enough, and telling the politicians in the room what they need to be championing" to support systemic policy change.
- The Green City Region Partnership Board could formalise its relationship with the Challenge Groups and other bodies within the mission governance structure by agreeing a "ways of working or formal agreements document" that transparently encourages a culture of "holding each other to account" and "challenging when we think work is going in the wrong direction or needs correction." This formal document would support a shift in mindset, enabling Green City Region Partnership Board members to take on an approach of friendly critique and constructive challenge.

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ITEM 07

GMCA GREATER MANCHESTER COMBINED AUTHORITY

GM GREEN CITY REGION PARTNERSHIP

Date: **10th December 2020**

Subject: **CHALLENGE GROUP PROGRESS UPDATE**

Report of: **Mark Atherton on behalf of Challenge Group Chairs**

PURPOSE OF REPORT

The purpose of this report is to outline the progress made by the 5 Year Environment Plan (5YEP) Challenge Groups in developing their key priorities through Task and Finish Action groups.

The accompanying presentation provides an updated overview of the Challenge Group priorities and how these are being delivered through Task and Finish Groups.

RECOMMENDATIONS:

The Partnership is asked to:

- Note the progress in developing the Mission Based Approach and the associated Challenge Groups and Task and Finish Groups activity.

CONTACT OFFICERS:

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1.0 BACKGROUND

The 5YEP Challenge Groups have now all met at least six times and have established key priority areas to be addressed by the Task and Finish Groups. Their progress is being supported and monitored under the Mission Based Approach, as set out in the Five Year Environment Plan and Local Industrial Strategy.

Since the last meeting, at the time of writing, most Green City Region Partnership Challenge Groups have not met. Where this is the case, the progress below reflects the work of the challenge groups that was reported to the last Green City Region Partnership.

2.0 COMMUNICATIONS AND BEHAVIOUR CHANGE

- **Key Messages** has discussed how partners in the Green City Region can "speak with one voice" when communicating action which supports the Five Year Plan. The symbol of the Green Bee was agreed as the most appealing symbol of the Green City Region to businesses and individual carbon generators and we now have permission to use the symbol from Manchester City Council.

- **Case Studies** group will ensure we have powerful stories which appeal to our target audiences. Challenge group members have started to feed in case studies and a framework is being agreed for recording and collation. Partner case studies will be featured on the new Green City Region website and represent the broad range of environmental work carried out across the region making an impact on the Five Year Environment Plan.

- **Talent and Ambassadors** led by the BBC and GMCA has identified influential spokespeople who will speak on behalf of and be supportive of GM Green City work. Care is being taken to ensure that spokespeople reflect the diversity of the region and feature people who have an appeal across all audiences and sectors.

- **Behaviour Change** led by the Carbon Literacy Project, has looked at best examples of behavior change in GM, identified key gaps and looked at target groups. Carbon Literacy training, focused around communicating the climate emergency, is pending for all Communications Challenge Group members.

- **Covid-19 key messages** sub group has been set up to discuss some of the urgent messaging regarding Covid-19 recovery and how the messaging will be executed.

- **Green Summit** sub group to be established to review the 2020 summit and start preparation for the next green summit in 2021.

This group is now looking forward to the following year and it's priorities after successfully development of branding and key messages. The group will focus on amplifying messages that come out of the other challenge groups and creating specific campaigns.

3.0 ENERGY INNOVATION

- **Energy Transition Region (ETR) and Energy Innovation Agency (EIA)**, led by SSE Enterprise and the three universities was launched at the Green Summit. When complete, the EIA concept will provide the governance framework and act as the gate keeper at the center of an Energy Transition Region.

- **Heat Pump Accelerator** has now met, developed and provided via Evergreen Energy and Clean Air Solutions an Assignment of Rights proposal, while also feeding into the wider skills action plan.

- **Decarbonised Heat assessment** phase 1 has now been completed. This was led by Aecom and funded by BEIS and has identified 37 heat related schemes which each need to be deployed to meet our ambition of carbon neutrality by 2038.

  Phase 2 of the project is expected to commence Mid October and operate through to April 21, with an aim of delivering outline business cases for several of these schemes identified in phase 1.

- **Solar PV** activity across the region. Currently we are aware of 7+MW of planned solar PV installs through the Energy Systems Catapult ERDF funded project Unlocking Clean Energy in Greater Manchester. The GM Solar Together homeowner project is now completing the final installs, with cr1MW of generation and storage capacity installed. This generated over £1.1m of resident investment and benefit.

4.0 LOW CARBON BUILDINGS

- **Retrofit Accelerator (RFA)** led by Salford University, has developed the concept outlined in the Retrofit Strategy. The discussion paper outlining the approach and required work packages has been presented internally within GMCA obtaining approval to commission a study into consumer insight focused on demographics, complimenting current stock condition modeling. The next phase of development and delivery has begun following the findings. The RFA proposal provides the umbrella for wider task and finish groups, bringing these together to form individual work packages with in the RFA.

- **Skills** led by GMCA, supported by Growth Co and CITB completed a skills workshop with challenge Group members, providing a gap analysis and identifying areas of focus across retrofit. From this a skills action plan has been completed to support the regions wider aspirations and how this can support Covid-19 recovery plans.

- **Public Buildings** led by GMCA has completed a soft market test with 4 organisations to understand the differing approaches to large scale public retrofit across the public estate including all 10 districts, GM Fire and GMP. Please note that TFGM have already completed a separate investment grade audit of number of the own buildings. Discussions are now being had with the districts on how these recommendations will be taken forward.

5.0 NATURAL ENVIRONMENT

- **GM Tree & Woodland Strategy (All our Trees)** led by City of Trees - The Trees for Climate initiative is a five year programme and City of Trees is awaiting a decision from the Government on their application for funding to support the delivery of 1,000 ha of new woodland. City of Trees has engaged with its partners to develop a programme of 140 ha of new woodland creation schemes for 2020/21. Partners have been urged to come forward with new planting sites for years 2 to 5. City of Trees is in the process of implementing policies and procedures to resume volunteer activity in line with Government CV guidance. Based on the Citizen Forester model a strategic approach is being developed for the long term management of trees and woodland planted as part of the Trees for Climate initiative.

- **DEFRA GM Peatland Restoration Pilot** led by Natural England and GMCA – final report on the GM Peat Pilot Report redrafted following feedback, and to incorporate NE and MMU State of the Bog modelling of upland peat condition. Final report now approved by Defra and will feed into the forthcoming England Peat Strategy. LinkedIn communications campaign, around tone of peatland restoration messaging, with Creative Concern to be delivered autumn 2020.

- **Natural Course** EA and GMCA have undertaken an evaluation survey to understand the take up of natural capital tools, developed through Natural Course & Urban Pioneer, including accounts and ecosystem services opportunity mapping. To date, 23 online respondents have completed the survey with 8 detailed follow up interviews. Results are being used to inform future support and use of the tools. City of Trees have completed work at Dales Brow, Swinton, to create a SuDS scheme that provides water quality and flood risk mitigation benefits. Groundwork has received final plans for removal of the weir at the Meeting of the Waters site on the River Tonge in the Croal catchment. Consultants are working on the development of a project portfolio for improvement projects along the River Irk.

- **Biodiversity Net Gain,** led by Natural England has finalized production of the BNG Action Plan which has been shared with Local Planning Authorities and key priorities identified. GMEU have been consulted on 35 applications that are delivering Biodiversity Net Gain in that past 18 months including more than 150 ha of habitat creation and £300,000 secured through off-site contributions. Evidence of Biodiversity Net Gain viability has been shared with officers and discussion ongoing to overcome challenges. The Green Summit included an update on Biodiversity Net Gain and the Draft Environment Bill. Training for members and officers is being organised via a virtual webinar.

- **Nature Recovery Network** – In August this year Greater Manchester was announced as one of 5 areas across England to pilot the development of Local Nature Recovery Strategies over the next 7 months in advance of these being rolled out across the Country as part of the Environment Bill. The Defra Environmental Land Management System Test initial work is work focussing on the production of Nature Recovery Network mapping by GMEU which

will be used to inform discussions with farmer / land managers. A Natural Solutions Advisor has been appointed to carry out these discussions and identify potential test sites.

- **GM Environment Fund** - Update paper taken to the Combined Authority meeting on 25th September with all recommendations approved. Lancashire Wildlife Trust and Environmental Finance work programmes have been aligned and funding opportunities identified including Green Challenge Recovery Fund and a portfolio of shovel ready projects developed by environmental NGOs. Solicitors have been appointed to establish the GM Environment Fund as an independent charity and limited company.

- **IGNITION** - Survey launched to understand post-COVID attitudes to parks and willingness to pay for improvements. On Funding Stream 1 (surface water banding charge drop), groundtruthing of financially feasible sites has continued with findings being analysed by Jacobs. Environmental Finance have been procured to advise on the investment strategy for the pipeline of sites. An Evidence Base of NBS benefits has been published, with a Local Authority-facing report in development. Comprehensive review of future funding streams took place in September, with an action planning session taking place in October. Finally, Phase 1 works (small-scale NBS) of the Living Lab commenced in September, with Phase 2 (large-scale NBS) due to start installation in October.

- **Environment Vision** – Natural Environment Toolkit Launched in the run up to the Green Summit with resources including the 'showcase film' and animations being used as part of social media. The Nature GM website has been updated to include the campaign including tips on how people and businesses can play their part. My Wild Garden campaign sign ups for 2020 have been just over 1000 and unlikely to hit target of 5000 in 2020. Uncertain why there is a reduced uptake from public but suspect the need to enter email / postcode is a barrier.

- **Social prescribing** - Task and Finish Group has carried out two workshops to develop a bid for funding from additional sources (DEFRA/NHSE and the Dream Fund). Initial explorations with sustainabilty leads are also being undertaken around further inclusion of biodiversity in the GMHSCP Green Plan.

6.0 SUSTAINABLE CONSUMPTION AND PRODUCTION

- **Procurement policy drivers/interventions** is working to identify carbon hotspots, priority sectors and contracts to target. It will look at `redlines' to include in contracts e.g. carbon neutral travel to work, local supply chain and good employment charter. The last meeting of the SCP challenge group focused on embedding circular economy and climate change ambitions within procurement.

- **Public Sector Plastic Pact** will develop a common approach for targeting single use plastic consumables and plastic packaging across GM public sector and hence, remove inconsistency, and inform the development of authority led plastics strategies across GM.

- **Food -** work to look at supply chains is about to commence with STaR and AGMA Procurement to explore procurement avenues within catering and schools and work has resumed to create a Greater Manchester Food Strategy.

- **Circular Economy resource flow mapping** has commenced with University of Manchester to capture material flows within the City Region.

7.0 5YEP IMPLEMENTATION FORUM

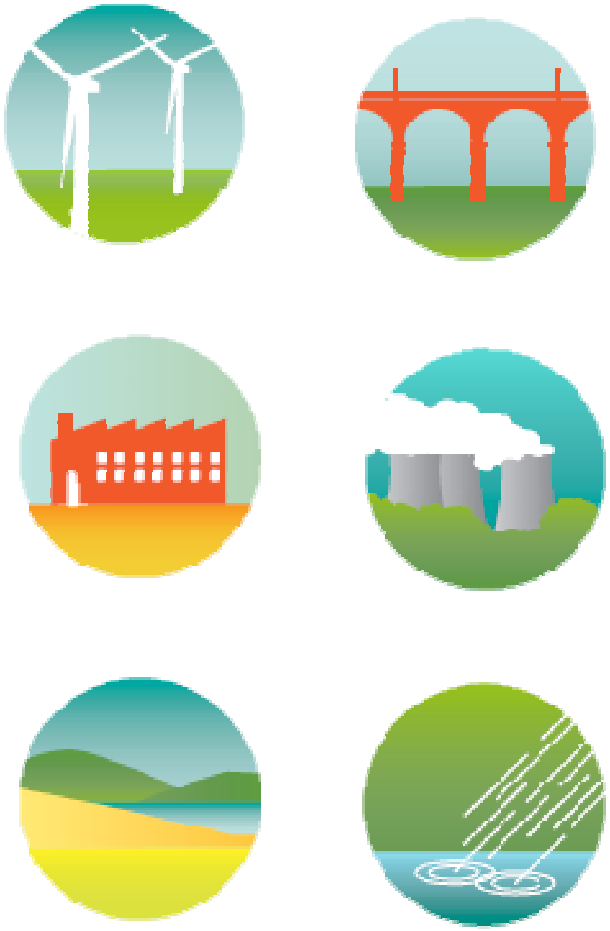
- **Covid 19 Recovery Plan (Environment Theme)** – reviewed and commented upon the One Year Plan. Questioned how/whether the other themes of the wider GM Recovery Plan were being assessed for their environmental impact.

- **Review of Challenge Group Activity –** received presentations and provided feedback on:

    - GM Hydrogen Strategy

- **Green Summit** – provided feedback on the Green Summit including content, structure and format.

THE 5 YEAR ENVIRONMENT PLAN CHALLENGE GROUP UPDATE (07a)



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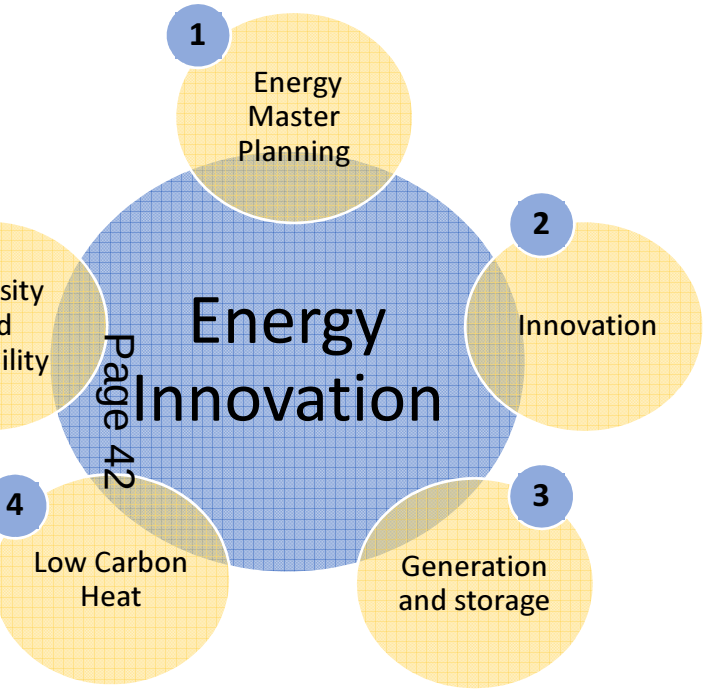
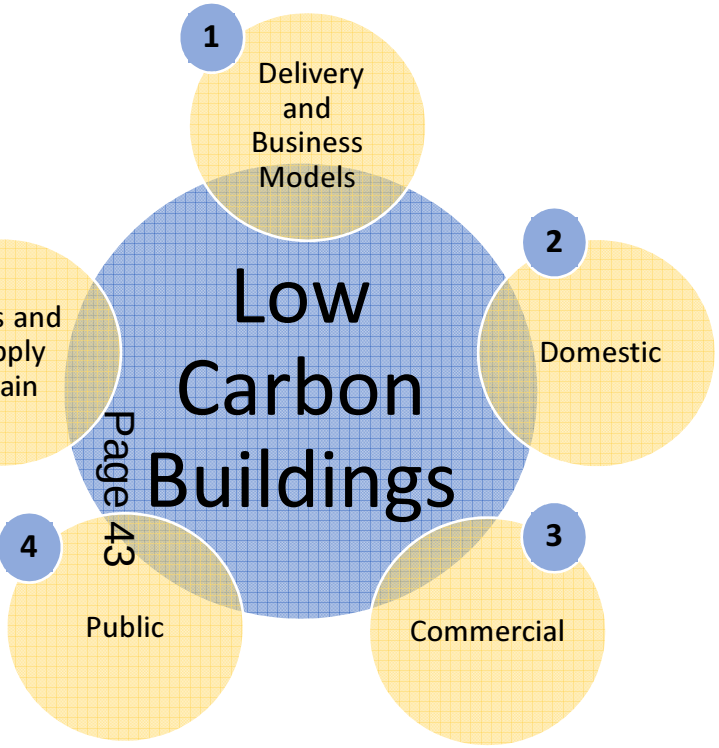


Tasks	Description of Deliverable / Task	Lead	Funding	Delivery Method	Stage
1	LEM: Local Area Energy Planning	GMCA	UKRI	Steering Group	Research/Developm
2	Energy Innovation Agency	SSE/ Universities	Bid	Task and Finish	Development
2	Energy Transition Region	SSE/Universities	TBC	TBC	Development
2	Scope and deliver innovative finance mechanisms	GMCA	Local	Contract	Research/Developm
3	Go Neutral 2 - development	LENW	Local	Contract	Research/Developm
3	Go Neutral 2 – Solar PV Deployment	LENW	Local	Contract	Development
3	GM wide Solar PV Offer	GMCA	Local	Contract	Research/Developm
3	Solar PV Offer (business)	Growth Company	TBC	Task and Finish	Research/Developm
3	ERDF Solar Energy Projects x4	ESC	Local	External	Delivery
3	Community Energy Offer	Carbon Coop	Private	TBC	
4	DEEP (phase 2)	AECOM	National	Contract	Development
4	Heat Pump Accelerator	Evergreen	External	Task and Finish	Development/Delive
5	LEM – Value Sharing Proposition	GMCA	UKRI	Steering Group	Development/Delive
5	LEM – Digital Optimisation	GMCA	UKRI	Steering Group	Development/Delive

hallenge Group – Low Carbon Buildings
riorities and T&F Action Groups



Tasks	Description of Deliverable / Task	Lead	Funding	Delivery Method	Stage
1	Retrofit Accelerator - Business models	Salford University	Funded	Task and Finish	Research/Deve
2	Consumer Demographic Insights		Funded		
2	Retrofit Accelerator – Technical	Salford University	Funded	Task and Finish	Research/Deve
2	Retrofit Accelerator – Quality Assurance	Salford University	Funded	Task and Finish	Research/Deve
2	ERDF Projects HAES	Procure Plus	ERDF	Task and Finish	Research/Deve
2	Accelerator Cities	UKGBC	Local	Task and Finish	Research/Deve
2	Green Homes Grant (LA Delivery)	Oldham	Nat Govt	contract	Delivery
2	Social landlords decarbonisation fund (demonstrator)	GMCA	Bid	Grant	Delivery
2	ERDF projects southways arrow field park	Southways	ERDF	Bid	Delivery
2	Carbon neutral stock assessment	GMCA	LGA	Contract	Research
3	Commercial DECs	UKGBC	TBC	Task and Finish	Research
4	Public Sector Decarbonisation - LAs work to monitor, deliver and report on agreed targets for public buildings	DoPE	EU / National / Local	Task and Finish	Research/Deve
4	Procure renewable energy tariff	GMCA	EU / National / Local	Task and Finish	Delivery
5	Retrofit Accelerator – Skills Action Plan	GMCA	TBC	Task and Finish	Research/Deve

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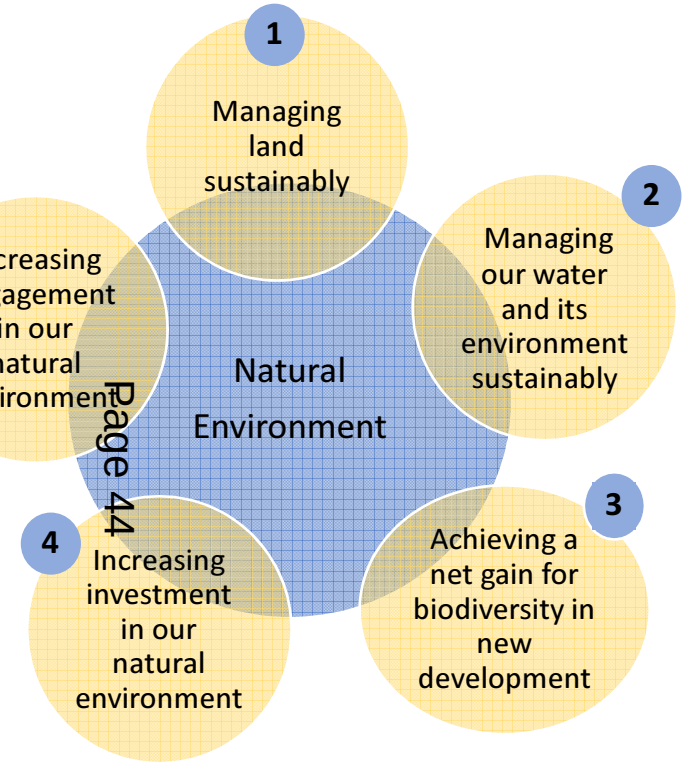
orities and T&F Action Groups



Tasks	Description of Deliverable / Task	Lead	Delivery Method	Stage
1	Complete the Peatland Pilot	NE	Task and Finish	Research/Develo
1	Deliver the GM the Tree and Woodland Strategy	CoT	Task and Finish	Policy/Strategy
2	Complete the Natural Course Project	EA	Steering Group	Delivery
3	Support LAs in implementing Biodiversity Net Gain (GMSF)	NE	Task and Finish	Delivery
3	Develop a Local Nature Recovery Strategy for GM	GMCA	Steering Group	Policy/Strategy
4	Develop business models for investment in natural capital and climate adaptation, through IGNITION	GMCA	Steering Group	Delivery
4	Establish GM Environment Fund, and develop models for carbon trading and habitat banking	GMCA/ LWT (with EF)	Contracts	Policy/Strategy
5	Develop a natural environment social prescribing model	GMHSCP	Task and Finish	Research/Develo
5	Develop a comprehensive set of natural environment indicators	GMCA	Task and Finish	Research/Develo

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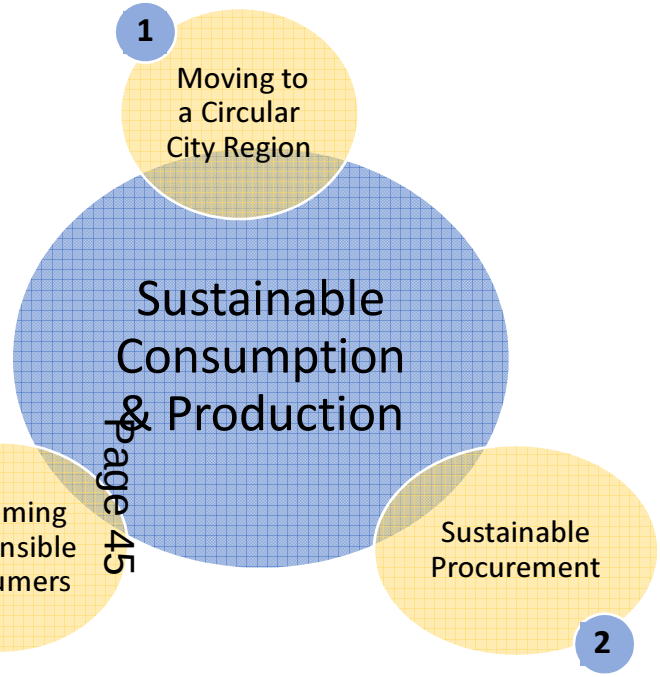
rities and T&F Action Groups



Tasks	Description of Deliverable / Task	Lead	Funding	Delivery Method	Stage
1	Develop SCP / Circular Economy Report	GMCA	Core	Task and Finish	Research
1	Resource flows to move towards a circular city region	UoM	TBC	Task and Finish	Research
1	Business support programme for energy efficiency and eco-innovation	Growth Co	ERDF	Growth co	Delivery
1	Research projects – Reduces, RE3, construction etc.	Universities	TBC	Various	Research/Deve
1	Sustainable Food solutions	GMCA	TBC	Various	Research/Deve
1	Consistent collection services (scenario modelling)	GMCA	Waste	Task and Finish	Development
2	Sustainable procurement models into public sector procurement and policy	GMCA/LAs	TBC	Task and Finish	Development
2	Refresh Social Value Framework	GMCA	Core	GMCA	Development
2	Collective Procurement in Waste Management (Commercial)	GMCA	TBC	Various	Research
2	Sustainable Food procurement	GMCA	TBC	Task and Finish	Development
3	Behaviour Change Campaigns	GMCA	TBC	Task and Finish	Research/Deve
3	Behaviour Change – Personas	GMCA	TBC	Task and Finish	Research/Deve

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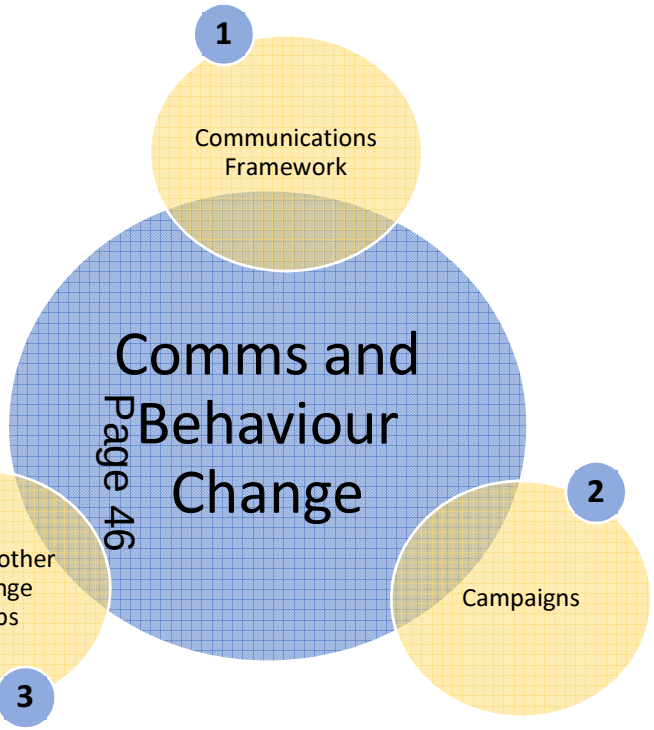
ties and T&F Action Groups



Tasks	Description of Deliverable / Task	Lead	Funding	Delivery Method	Sta
1	Work with YCA to plan and deliver Green Summit	YCA	Local	Task and Finish	Delivery
2	Behaviour Change Campaign	CLT	Local	GMCA	Delivery
2	Deliver campaigns – Big Clean Switch, My Wild Garden (LWT)	GMCA	Local	Contract	Delivery
2	GM Moving (TfGM)	TfGM	?	?	Delivery
3	Roll out programme of carbon literacy	CLT	National	Steering Group	Delivery
3	Develop Natural Capital Vision and Toolkit	GMCA	EU	Task and Finish	Delivery
3	Green City Region Key Messages	BBC	TBC	Task and Finish	Developmen
3	Develop case studies to support key messages	GMCA	TBC	Task and Finish	Developmen
3	Talent and Ambassadors	GMCA/BBC	TBC	Task and Finish	Research/De

GREATER MANCHESTER

DOING THINGS DIFFERENTLY

@GM GreenCity| #GMGreenCity

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Item 10 - Green Recovery

GM Green City Partnership – 10/12/20

Mark Atherton, Director of Environment
Mark.Atherton@greatermanchester-ca.gov.uk

GMCA

IS: The Clean Growth Grand Challenge

- **A city region mission**
  - Established the mission with Thematic Challenge Groups operating
- **Carbon neutral retrofit and new build**
  - Carbon neutral for new build research (GMSF)
  - Retrofit accelerator/skills academy feasibility
  - Public sector/domestic decarbonisation schemes
- **21st Century Energy Supply**
  - Local Energy Market Project commenced (£6.1m)
  - Energy Innovation Agency launched
  - Decarbonisation of Heat (
  - Go neutral pre-feasibility of 79 sites for ground mounted PV
- **Sustainable and low carbon transportation**
  - Clean air zone/plan
  - Bus upgrades, electric vehicle charging infrastructure
- **Natural Capital**
  - GM Environment Fund
- **Clean Growth and Productivity**
  - Existing business support offers via Growth Co

M Covid Recovery and Resilience Plan – Impacts identified and GM Deliverables

mpacts:

ignificant and otentially vastating, be tackled urgently

- **Health impacts** on BAME people, disabled people and older people
- **Mental health** impacts on all ages, shielding people, and those more likely to be isolated
- **Educational and social impacts** in particular on disadvantaged children and families
- **Fragility of the social care system** laid bare
- **Lack of access to physical and mental health care** among disabled people and shielding people
- **Lack of access to food** among poorer communities
- **Digital exclusion impacts** as services shift to online, exclusion and isolation including older people and disabled people
- **Economic impacts** on low paid workers, young people and the self-employed and devastating impact on cultural sector
- **Greater Manchester's businesses** and economic sustainability and growth has suffered
- **Homelessness and rough sleeper** impacts, as people were housed in hotels
- **Managing risks for key workers**, ensuring safe continuation of essential services

allenging but anageable, be tackled and mproved

- **Towns and cities**, limited use during lockdown
- **Fear of starting up 'normal' life again**
- **Role of and reliance upon VCSE organisations** as part of the networked emergency and ongoing response
- **Improvements in service provision / efficiency**, increase in online NHS consultation and delivery of wider services digitally
- **Greater data sharing** across agencies enabled targeted, timely responses
- **Temporary cleaner air** and environmental gains achieved through changes to work and travel patterns, but challenges related to use & capacity of public transport services

Positive enefit, to reinforced and aintained

- **Emergence of new community networks** and social infrastructure e.g. Community Hubs, closer working with schools
- **Creation of multiagency networks** and support systems e.g. PPE sourcing and mutual aid
- **Locally controlled devolved resources** enabled targeted, timely responses
- **GM Partnerships** and ways of working, reinforced and strengthened approaches, delivering effective responses
- **Digital shift and capabilities,** with rapidly developed novel operating models, to be retained and developed

GM Deliverables:

- Sustain support to care homes and extend Living Well at Home to strengthen the resilience of adult social care provision
- Boost physical activity programmes and social prescribing, including for people with long term conditions
- Sustain the food bank network
- Complete 'Everyone In' and deliver a transition programme and ongoing support for homeless people
- Building on the Community Hubs experience and closer working with schools, develop integrated neighbourhood services, sharing people, data, money and stories
- Launch a targeted plan to tackle digital exclusion
- Ensure the provision of comprehensive mental health and wellbeing support accounting for the growth in demand and severity across all age ranges
- Restore proactive care and support for both children and adults for those with long term health condition and support those who are recovering from Covid
- Supporting successful return to school and college for all learners, with inclusion of catch up and wellbeing support if needed
- Learning from each other on how best to manage any increases in safeguarding for children & young people and vulnerable adults
- Deliver GM employment and skills recovery plan with evidence based targeted progammes of support
- Establish GM Independent Inequalities Commission
- Immediate implementation of the GM Social Value Framework
- Appropriately contracted provision from the VCSE sector as part of ongoing networked support infrastructure
- Develop system wide responses to maintain and develop social infrastructure as part of driving more inclusive economic growth in the future, including system changes, investment and formal collaboration with new infrastructure
- Deliver Housing Retrofit programme as part of greener economic recovery
- Support sectors facing lasting impacts from Covid, including those with high employment but low pay, building on the Local Industrial Strategy
- Use our Local Industrial Strategy to drive job creation – supporting both GM's foundation economy workers and growing sectors with investment where they can exploit new opportunities
- Significantly expand the GM Good Employment Charter to drive more secure work, higher pay and better employment standards
- Develop and deliver a Cultural Recovery Plan, recognising the role of a sustainable cultural sector as a key driver of a vibrant GM
- Provide targeted support to enable businesses to innovate and adapt
- Continue the SafeGM campaign to provide reassurance about getting back to work
- Secure infrastructure investment needed to kick start the economy
- Swiftly progress investment opportunities as part of economic stimulus
- Push for wider govt funding for councils and locally controlled devolved resources
- Continue to build the mutual aid and support systems where they add value and provide a better way of working
- Deliver the Cycling and Walking Plan
- Fully functioning public transport system and support from DfT
- Progress GM Clean Air Plan and build on positive shift in travel behaviour
- Progress Environment Plan to reduce carbon emissions and create an improved, more resilience natural environment for socially distanced recreation

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Funding Opportunities

Opportunity	Bids	Secured	Delivery Timescales
Green Homes Grant Ph1		£4.7m	Sept 20 - Mar 21
Green Homes Grant Ph1b	£5.5m		Jan 21 – Sept 21
Public Sector Decarbonisation Scheme	£81m		Jan 21 to Sept 21
- Feasibility funding for PSDS		£983k	Oct 20 – Nov 20
Social Landlords Demonstration Funds	£7m		Jan 21-Dec 21
Green Homes Grant Ph2 (Regional Alloc)	£15m		April 21 – Dec 21
Totals	**£108.5m**	**£5.7m**	

If all of this investment were to be realised, this would equate to circa 2,831 additional jobs created, based on 25 jobs per £m

GMCA GREA MANC COMB AUTH

Creating Local Economic Opportunity - options

Public sector – opportunity for larger SMEs, Corps & OEMs

1. Existing routes to market / frameworks that have local suppliers on

2. Existing / new frameworks that are engaging with local supply chain (via Growth Hub for example)

Private Sector – opportunity for micro SMEs

3. New mechanism that encourages or mandates local supply chain use

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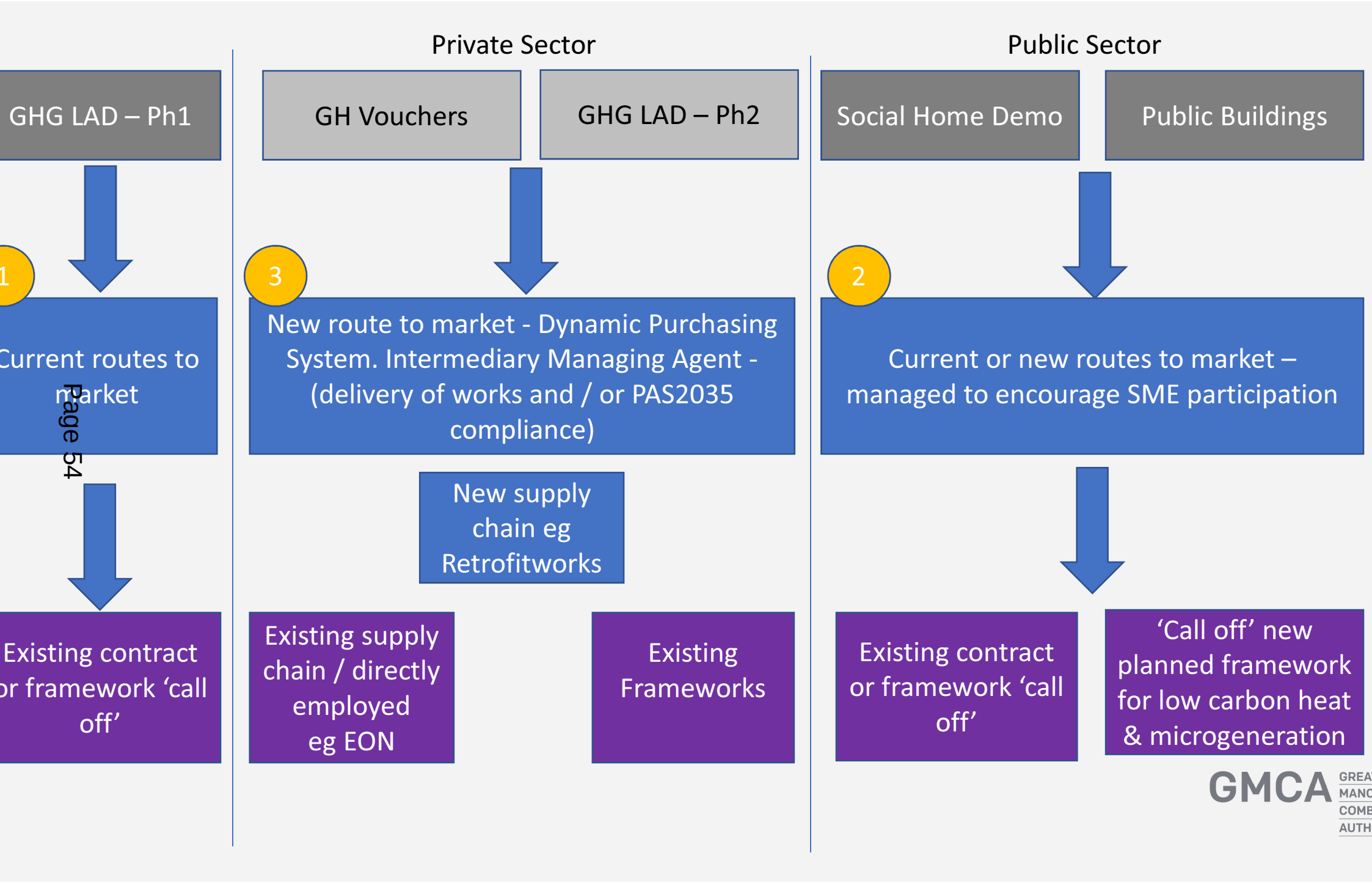

GHG LAD – Ph1
GH Vouchers
GHG LAD – Ph2
Social Home Demo
Public Buildings
Private Sector
Public Sector
1
3
2
Current routes to market
New route to market - Dynamic Purchasing System. Intermediary Managing Agent - (delivery of works and / or PAS2035 compliance)
Current or new routes to market – managed to encourage SME participation
New supply chain eg Retrofitworks
Existing contract or framework 'call off'
Existing supply chain / directly employed eg EON
Existing Frameworks
Existing contract or framework 'call off'
'Call off' new planned framework for low carbon heat & microgeneration

Issues to consider

- May need to incentivise the use of any thing we procure if we want the wider private sector to engage to get eg training embedded
- Care needed not to preclude local supply chain from securing works. Too big an opportunity i.e. all PV on all public buildings in GM will not allow SME to bid.
- Putting all works under one management contractor can do the same thing - identifying work packages and sense checking this against local supply chain capability and capacity favours SME and local contractors.
- Public Sector could procure materials separately to reduce barriers to SME participation but would involve more complex procurement – would need to be explored with framework providers.

Use of Managing Agents

- Managing Agent for Local Authorities: a route to market for local communities. Would include the requirement to allow for public money to be used to subsidise / incentivise works to private sector properties and payable to Managing Agent to manage or direct to homeowner – MA's own or 'partner' supply chain must deliver works.
- Retrofit Programme Development Service for LA or Social Landlords: specialist consultancy support to allow LA or social landlords to develop and procure retrofit programmes using existing / preferred routes to market
- Managing Agent for Social Landlords: oversee procured installation partners on social housing projects providing assurance of PAS2035 compliance

s for a Green Economy

dustry Skills Intelligence Unit within the work and skills team at GMCA provides a resource to unpick skills and talent needs for priority sectors set out in the Local rial Strategy which includes our green economy. This work supports the development of an fully aligned labour market response in GM.

e team works with our mission based challenge groups and wider keholders to deliver the following activity. This activity is cyclical and areas l be continuously reviewed as skills needs increase alongside activity to et our low carbon targets.

lligence Gathering

workshops and carry out one to one meetings with loyers and wider stakeholders to understand skills needs in cific areas of the green economy.

her this skills intelligence together into an Industry Skills ort which can be widely shared with stakeholders.

Intelligence Dissemination

Various knowledge sharing webinars and round tables to support the translation of the sills intelligence and recommendations.

Intelligence Implementation

Aligning our £100 million of devolved skills provision to meet employer need including skills for growth commissioning.

Using intelligence to support non-commissioned mobilisation to create a more aligned GM skills system.

The approach is different because it:

- Provides **better understanding** of what jobs we need and the progression pathways to these occupations.
- Creates an **employer led evidence base** to support skills providers to respo to employer needs
- Provides **shared messages** around sectors, the opportunities for our reside and where the gaps are
- Promotes **collaborative working** around these shared messages to fill gaps talent pathways through **commissioned and non-commissioned** activity.

Work so far…

Retrofit

- The low carbon buildings challenge group was identified as a priority area to in responding to the sector skills needs.
- The first version of the Low Carbon Buildings Skills Intelligence Report was produced in summer 2020 which listed short, medium and long term plans f delivering skills for retrofit.
- Various knowledge sharing events for various stakeholders have taken place including skills providers who currently deliver construction skills provision.
- Skills commissioning for retrofit is being shaped currently through ESF Skills f Growth Funding and devolved Adult Education Budget.
- Aiming for skills delivery for Retrofit to commence in Spring 2021.

Other areas of the green economy

- Work has started to gather intelligence around the natural environment wor with the natural capital mission based challenge group and wider stakeholde
- Skills intelligence collection to start with the energy mission based challenge group before the end of 2020.

European Union
European
Social Fund

GMCA

ITEM 9

Recovering nature in Greater Manchester

Local Nature Recovery Strategy Pilot

What are Local Nature Recovery Strategies?

What are the pilots?

Where we're up to

Next steps

What are Local Nature Recovery Strategies?

What are they?

- New statutory system of spatial strategies for nature.
- Will cover the whole of England.
- Designed to drive more coordinated, practical and focussed action to help nature.
- Developed at the local level – aligned to decision making geography (local and combined authority scale).

What is their purpose and status?

- To be practical plans rather than theoretical documents.
- To drive action and delivery of nature recovery:
  - Channel and prioritise investment (means of delivering Biodiversity Net Gain and potentially the new Environmental Land Management Scheme).
  - Align efforts across partners (e.g. in securing government funding).
  - Introducing requirements relating to reporting on progress – increasing transparency.

What will they set out?

- For each local area:
  - Agree priorities for nature's recovery.
  - Map existing most valuable habitat.
  - Map proposals for creating/improving habitat for nature and wider benefits.

What are the LNRS pilots?

Local Nature Recovery Strategy Pilots

- 5 areas selected by Defra to pilot the creation of LNRSs.
- £1m made available to provide capacity to the lead authorities in each area (local authorities) and Natural England to support delivery
- Working closely with Natural England to develop a draft LNRS in advance of the Environment Bill being enacted.
- Defra will use the pilots to inform what they bring forward in secondary legislation and guidance to implement the requirement of LNRS to be developed
- 9 month project – prototype LNRS by April 2021.

GM Pilot Aim and objectives

m:

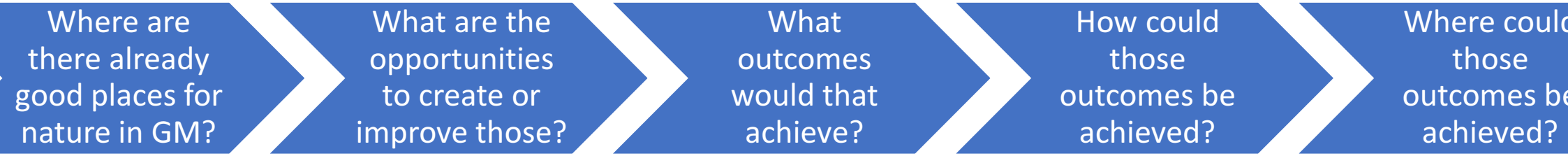
develop a prototype Local Nature Recovery Strategy for Greater Manchester, setting t our priorities for recovery nature **and** bringing wider environmental benefits to the y-region

bjectives:

developing that:

- Build on and bring together the significant amount of evidence that already exists.
- Engage with a wide range of stakeholders and beyond.
- Understand how the LNRS might fit with spatial strategies (GM) and local plans (LA)
- Explore how biodiversity and wider environmental benefits are brought together.

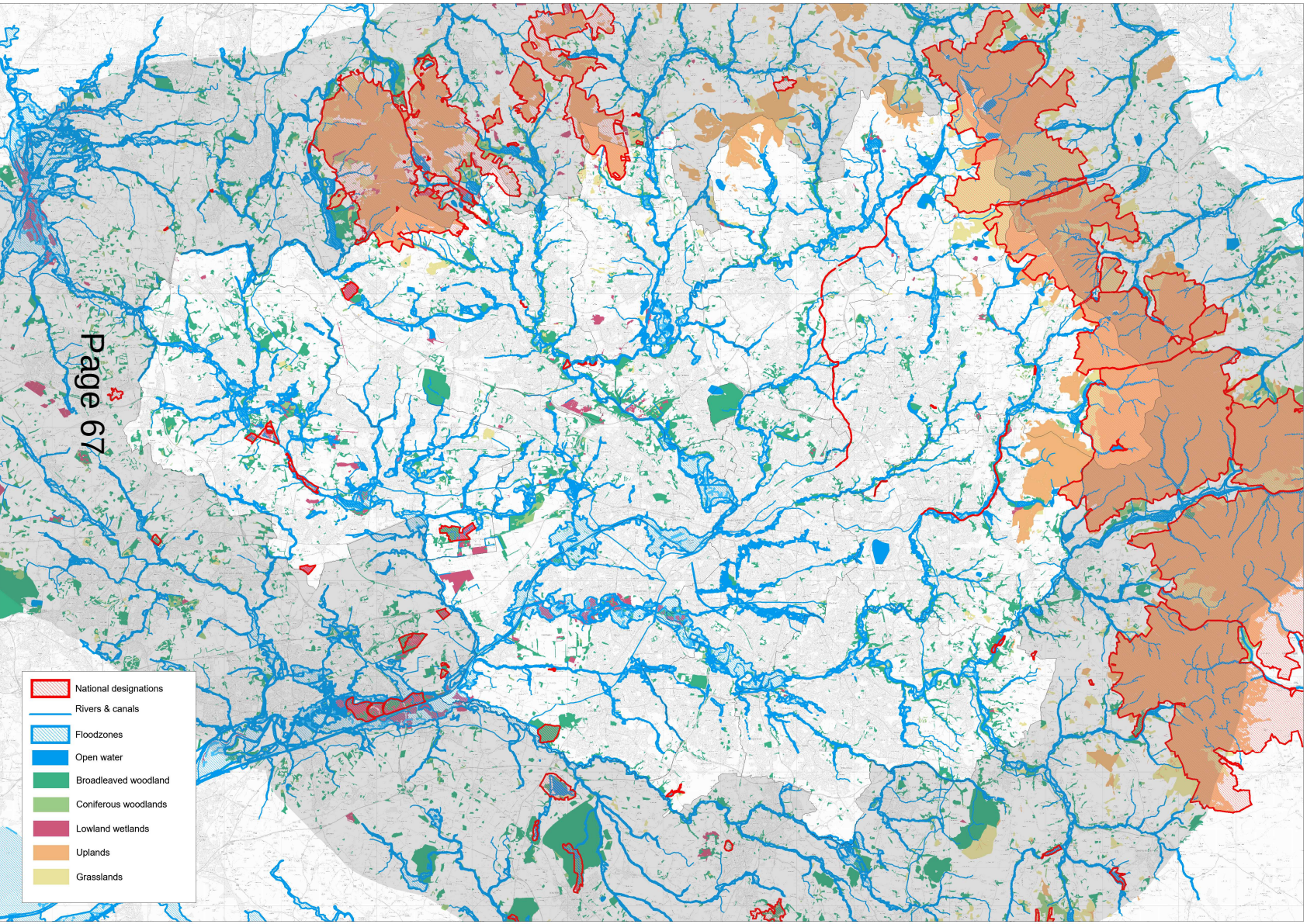
Piloting process



Statement of our priorities for the natural environment

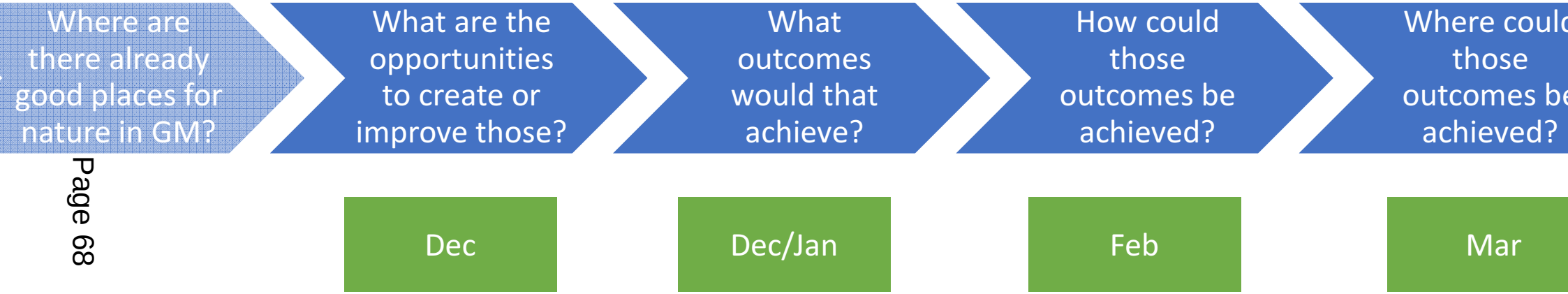
Habitat map showing priority locations to deliver those

nitial habitat map



Where are there already good places for nature in GM?

Next steps


Where are there already good places for nature in GM?
What are the opportunities to create or improve those?
What outcomes would that achieve?
How could those outcomes be achieved?
Where could those outcomes be achieved?
Dec
Dec/Jan
Feb
Mar

GM GREEN CITY REGION PARTNERSHIP

Date: 10th December 2020

Subject: GM Environment Fund Update

Report of: Anne, Selby, Chair of the Greater Manchester Natural Capital Group

---

PURPOSE OF REPORT

The paper provides an update on the development of the Greater Manchester Environment Fund (GMEF) and next steps.

RECOMMENDATIONS:

The Partnership is requested to:

1. Note the progress made in developing the GMEF.
2. Consider how the Partnership can support the scale-up of the GMEF Fund through providing funding or identifying potential funders.
3. Consider how the Partnership can support the ambitions of the fund by considering whether the fund could be utilized to meet GCR partner's compliance regulations or as a voluntary carbon offsetting scheme to support the wider ambitions of the 5 Year Environment Plan.

CONTACT OFFICERS:

Krista Patrick, Natural Capital Coordinator, GMCA
krista.patrick@greatermanchester-ca.gov.uk

1.0 BACKGROUND

1.1 Working with partners, the Greater Manchester Combined Authority (GMCA) is developing structures and enabling mechanisms to mobilise existing and new sources of funding through supporting the establishment of the GM Environment Fund. This aims to blend public and private sector funding to close the gap between corporate organisations and institutions, that either wish or are required to address their negative environmental impact, and smaller, grassroots organisations, aiming to deliver schemes and projects.

1.2 There have been a number of developments since reporting on GMEF progress at the GCRP meeting in July. This report provides an update on progress to date, including key milestones and next steps.

2 DEVELOPING THE GREATER MANCHESTER ENVIRONMENT FUND

2.1 A combined work programme between Lancashire Wildlife Trust, responsible for setting up and managing the GMEF, and Environmental Finance as financial advisors has been developed and key achievements by priority work areas are set out below.

2.2 Investment Strategy

- The GMEF Briefing Paper (attached) was agreed by the Combined Authority at their meeting in September 2020 which has subsequently been updated to include Lancashire Wildlife Trust scale up budget to pitch for philanthropic support.
- The GMEF Investment Strategy has been developed and is being refined to support the business case for the habitat banking and carbon mitigation investment pilots.
- As part of the development of the business case for habitat banking and carbon mitigation investment pilots , Environmental Finance will first assess the financial sustainability of the business model and then consider the appropriate capital structure and financing need for this type of project.
- Following this, Environmental Finance will seek to identify and engage with impact or institutional investors to provide repayable financing to deliver the pilot. They will also seek to carry out further engagement with the carbon market (if applicable) as part of the pilot development.
- A separate investor and carbon market engagement plan will be prepared as part of this phase of work.

2.3 Governance

- LWT Solicitors are progressing the GMEF application to the Charities Commission.
- GMEF Board members have been confirmed to include - GMCA, Chair of GM Natural Capital Group, Chamber of Commerce, Lancashire Wildlife Trust, Peel and GMCA Waste representative TBC.

2.4 Fundraising

- As part of the GMCA operating contract with SUEZ for the management of Greater Manchester's waste and resources, SUEZ have agreed to £200,000 per year towards a

Community Recycling grant programme – draft guidelines have been produced and funding will be launched April 2021.

- A bid was submitted to Green Recovery Challenge Fund, on behalf a consortium of NGOs, to demonstrate how GMEF can bring efficiency in seeking / securing competitive funding opportunities. The bid will part fund some of the capacity to pump prime the development of GMEF towards a self-sufficient model.
- A project pipeline of 'shovel ready' projects is now fully developed which means that significant project development can be presented as a "shop window" for potential corporate and Enforcement Undertakings.
- The GMEF briefing paper will be used as part of initial funder engagement to focus on philanthropic funding partners to support capacity funding to build the investment models and enable fund implementation.
- In the longer term, the GMEF will look at other impact investors and corporates as potential carbon buyers. Engagement strategies will be produced for the implementation of the business models.

2.5 Communications

- Website designers have been appointed and, following discussions with GMCA communications and the Advisory Group, a GMEF logo has been agreed.

2.6 Other

- GMCA contributed to the Ecosystem Knowledge Network Conference Panel Session on local authority roles in delivering investment in the natural environment. The session provided an opportunity to share current progress as well as engage with potential funders.

3 NEXT STEPS

3.1 The GMEF is due to be established as a Charitable Company Limited by Guarantee by Spring 2021. To address the requirements of the Charity Commission, work to develop the Investment Strategy and undertake the processes to enable its establishment is scheduled below:

Nov - Dec 2020	Investment Strategy
Dec – Mar 2021	Establish GMEF vehicle
Nov – Dec 2020	GMEF cash flow model
Dec – Mar 2021	Establish approval procedures and documentation
Dec – Mar 2021	Establish Grant Advisory Group for Suez Community Fund
Dec – Mar 2021	Funder engagement and fundraising – pump priming and pilot investments
Dec – Jan 2021	Establish website and communications strategy
Sept – Mar 2021	Establish quick wins through partners
Dec 2020 onwards	Pilot implementation
Jan 21 onwards	Secure other income streams

3.2 A fundamental part of the GMEF process will be stakeholder and funder engagement. The GMEF is currently seeking philanthropic grant funding to cover the costs of delivering the investment readiness work for the pilot investments and to support the development costs to scale up the GMEF.

3.3 At this stage, we are looking for input from the GCRP on potential funding opportunities including trusts and foundations or local corporates with grant funding programmes to support the GMEF development and pilot investment readiness work.

3.4 Over the next few years, further natural capital investment models are likely to become viable and benefit the Greater Manchester region. The GMEF can play an important role in providing a ready-made governance structure for these models and bringing them to market-readiness.

3.5 Opportunities are also being explored to expand the GMEF to cover wider ambitions of the 5 Year Environment Plan particularly around decarbonizing the built environment and transport sectors. The Partnership are asked to consider how the GMEF can support delivery of Greater Manchester's wider ambitions to achieve a clean, carbon-neutral, climate resilient city region with a thriving natural environment over the long-term.

4.0 RECOMMENDATIONS

The Partnership is requested to:

1. Note the progress made in developing the GMEF since the last meeting in July 2020.
2. Consider how the Partnership can support scale-up of the GMEF through providing funding or identifying potential funders.
3. Consider how the Partnership can support the ambitions of the fund by considering whether the fund could be utilized to meet GCR partner's compliance regulations or as a voluntary carbon offsetting scheme to support the wider ambitions of the 5 Year Environment Plan.

ANNEX
GREATER MANCHESTER ENVIRONMENT FUND BRIEFING PAPER

THE wildlife TRUSTS
Lancashire, Manchester & N Merseyside

GREATER MANCHESTER
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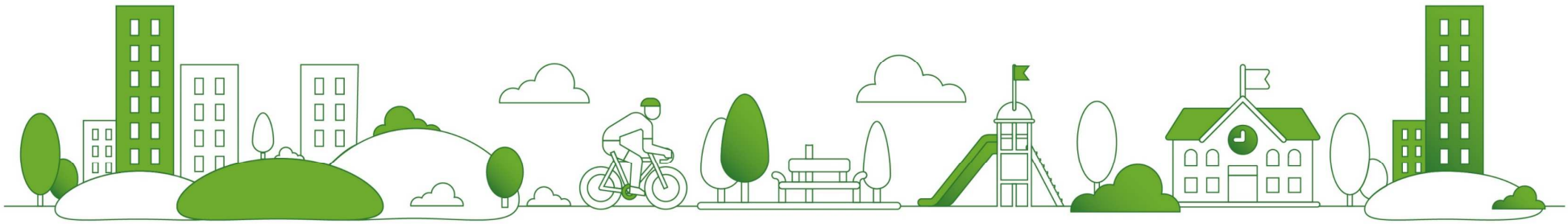
Life

Greater Manchester Environment Fund Opportunity Overview

Executive Summary



Introduction

Purpose of this document

- This document provides an overview of the opportunity to establish a Greater Manchester Environment Fund (GMEF) with information on its purpose, strategy, governance and next steps to launch the fund.
- This document will be used to:
  - Raise the profile of GMEF;
  - Gather feedback from key stakeholders on GMEF's strategic objectives;
  - Engage with prospective funders.

Support requested

- We are seeking support with the set up of GMEF to ensure that it can best support the city region in achieving its environmental ambitions, including:
  - Advice on how GMEF can best support the delivery of Greater Manchester's environmental ambitions.
  - Support from philanthropic, private and public sector funding partners to bring in much needed development capacity to launch GMEF, implement pilot projects and showcase the benefits that the fund has to offer.

"We are leading the way in the creation of a Greater Manchester Environment Fund to ensure our environment is fit for the future."

Councillor Andrew Western, Greater Manchester Green City Region Portfolio Lead

Acknowledgements

- GMCA has committed substantial funding and resources since 2016 to support the development of GMEF as an independent public, private and third sector initiative with the aim of securing more sustained investment in GM's natural capital.
- GMEF has been designed in consultation with an Advisory Group made up of key local stakeholders, who have kindly provided their time and guidance to support the development of the fund.
- The development of GMEF has been funded through generous contributions from Peel Group, United Utilities and the Environment Agency.

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GM's Environmental Ambitions

The Greater Manchester Environment Fund (GMEF) is a pioneering regional impact investment vehicle that unites public, private and philanthropic funding partners with a mission to tackle the urgent environmental challenges facing the Greater Manchester (GM) region.

- **GM faces major environmental challenges that threaten the future health and prosperity of the city region**, with dangerous levels of air pollution, degradation of priority habitats and increasing risks from climate change.
- In response, GM launched its 5-Year Environment Plan with the ambitious vision **for a "clean, carbon-neutral, climate resilient city region with a thriving natural environment"** and demanded urgent action to achieve this.
- Recognising that **traditional grant and public funding will be insufficient alone** to deliver the Mayor's ambitions, Greater Manchester Combined Authority ("GMCA") is pioneering a new approach to take on these challenges and safeguard GM's natural environment for the future.
- A partnership between GMCA, Lancashire Wildlife Trust and Environmental Finance has developed GMEF as an independent vehicle to support GM's ambitions for the restoration and improvement of the natural environment.
- **GMEF is the UK's first regional environmental impact fund,** targeting social, environmental and financial outcomes and seeking to recycle capital back into realising GM's environmental ambitions over the long-term.

"We need to act now to tackle the environmental challenges we face"
Andy Burnham, Mayor of Greater Manchester

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Greater Manchester Environment Fund Opportunity

GMEF is now ready for launch with a developed pipeline of investment opportunities and is seeking long-term philanthropic funding partners to enable it to scale and leverage significant additional funds.

- GMEF will be set up as an independent charitable vehicle to:
  - **Align existing restricted and unrestricted public funding streams** for strategic use to benefit the environment;
  - **"Crowd in" and leverage private and philanthropic capital to catalyse further investment** into the environment;
  - Deliver grant funding, capacity building, repayable investment and seed funding for strategic environmental projects and funds, ultimately to help **build a self-sustaining local environmental impact investment sector**; and
  - Deliver a **consistent and transparent governance framework** for funders and delivery bodies to set priorities, access funds and deliver accountable results.
- GMEF is structured as a **charitable body, managed by Lancashire Wildlife Trust with independence from GMCA** and with representation from public, private and philanthropic sector stakeholders, enabling it to:
  - Benefit from a **diverse range of informed stakeholders** while being mission-driven in its chosen activities;
  - **Champion local policies and innovations** to enable the GM natural environment to flourish; and
  - **Coordinate public sector funding efforts with the private and philanthropic sectors** to deliver significantly greater benefit.
- **GMEF is seeking long-term funding partners, having already secured a commitment of £200,000 per year from SUEZ,** the global waste management group, to fund environmental schemes that support communities across the city region, and to cover GMEF's operational costs for programme delivery.

GREATER MANCHESTER

DOING THINGS DIFFERENTLY FOR THE ENVIRONMENT

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Background

Context: GM's Environmental Challenges and Ambitions

GM's 5-Year Environment Plan (5YEP) sets out an ambitious vision for a "clean, carbon-neutral, climate resilient city region with a thriving natural environment", and demands urgent action to achieve this.

Threats facing GM's natural environment…		***…5YEP ambitions***
Land	Unsustainable land management; GM accounts for 3.6% of the UK's annual CO_2 emissions	Plant 1m trees by 2024, 3m by 2035 Restore 50-75% of GM's peatlands by 2040 Carbon neutral city region by 2038
Water	Over 90% of GM's waterbodies fail to meet quality standards; over 50,000 properties at risk of flooding	Improve GM waterbodies to achieve standards by 2027; shift to more nature-based solutions for flood alleviation schemes
Biodiversity	Biodiversity net gain approach not yet adopted across districts; lack of green space and ecological networks	Embed biodiversity net gain for developments and accelerate the delivery of a GM Nature Recovery Network
Investment	Insufficient funding available to protect nature; lack of business models to attract alternative sources	Develop GMEF to broaden the range of funding sources; deliver investment readiness support and proof-of-concepts
Environment engagement	Lack of public recognition of the wide range of benefits that nature delivers for the economy and society	Widen engagement via volunteering and employment opportunities; build on evidence base to promote benefits

The Covid-19 pandemic has only increased the importance of delivering on these ambitions as soon as possible to boost the local economy, create jobs, increase climate resilience and enhance the wellbeing of GM's residents.

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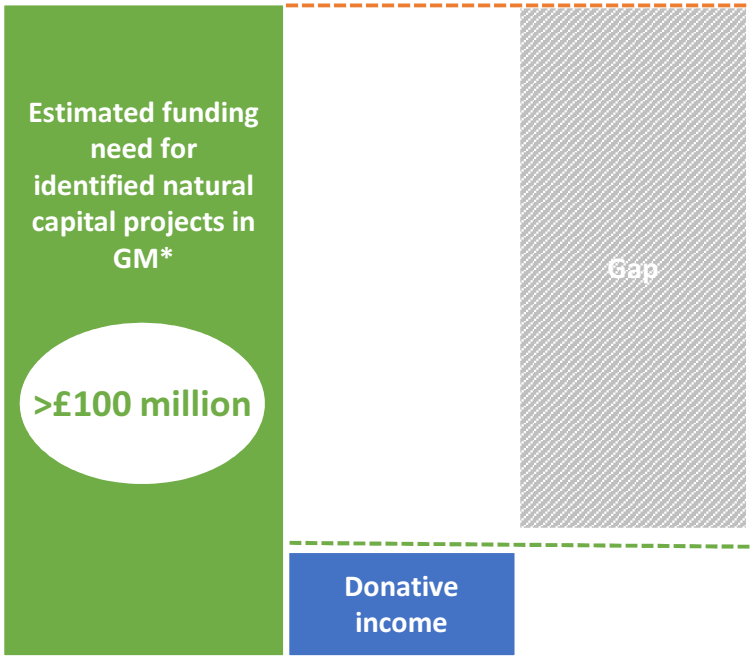
Funding Need for the Environment

A significant amount of additional funding is needed to deliver GM's environmental objectives and develop and deploy local Nature-Based Solutions (NBS), much of which will need to come from non-public sources. Delivering NBS will lead to green jobs, greater wellbeing and economic resilience.

Funding gap for GM's natural capital



** Based on initial review of 26 projects with cost estimates; a further 25 projects have been identified but not yet costed. This is therefore likely to be a significant underestimate of the actual need.*

- Public and philanthropic capital is insufficient alone to meet the funding needed to protect GM's natural environment.
- Public funds that are available are segregated and managed independently preventing strategic allocation for target projects.
- NBS such as ecological restoration and urban green infrastructure currently draw upon limited funding resources.
- NBS project developers tend to suffer from a lack of:
  - Proven business models to access private investment;
  - Project scale and aggregation opportunities;
  - Arrangements for accountability and governance;
  - Detailed understanding of the value of benefits provided by NBS; and
  - Capacity to innovate and develop new funding opportunities.
- There is an urgent need to attract new sources of funding such as impact investment to protect the city region's natural environment, and to deploy existing sources more strategically.

GM is uniquely placed to act as a pioneer in the NBS investment sector thanks to the recognition of its devolved leadership of the importance of protecting nature for future generations and the unique ecological restoration opportunities that exist across the city region.

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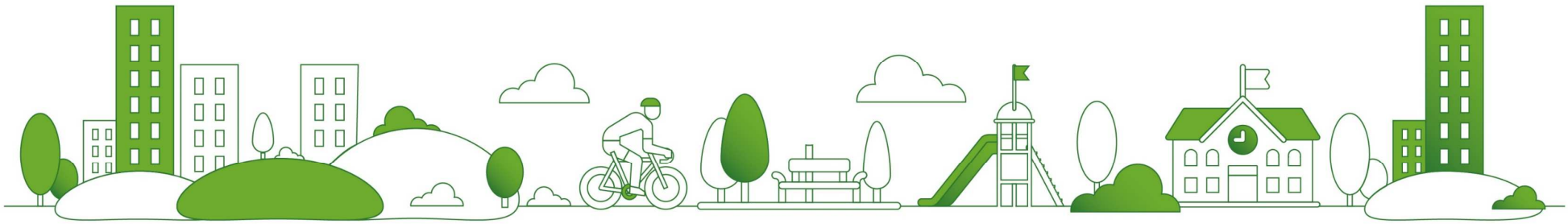
Greater Manchester Environment Fund Opportunity



GMEF Opportunity

Extensive consultation with GM-wide stakeholders and project developers has demonstrated the considerable need to create GMEF in order to mobilise the additional funding and investment required to deliver GM's ambitions of becoming a leading green city.

	Status-Quo	GMEF Opportunity
Project developers	• **Funding pressures** – ad-hoc and typically short-term grants are available from disparate sources for environmental NGOs, facing greater pressure due to Covid-19. • **Capacity constraints** – limited capacity and technical expertise available to create investable propositions to secure new sources of investment.	• **Reduce funding pressures** – provide a coordinated approach and governance framework involving public, private and third sector stakeholders to source and channel funding. • **Increase capacity** – deliver funding for technical assistance and capacity building to enable organisations to access blended finance opportunities.
Donors and Investors	• **Growing interest in environmental initiatives** – funders are seeking new opportunities to deliver environmental impact alongside financial returns. • **Lack of investment-ready projects** – limited pipeline of projects that demonstrate robust business models at sufficient scale to attract new sources of private capital.	• **Develop investable business models** – deploy funding strategically to develop investable business models that can attract private investment • **Aggregate and leverage new funding sources** – provide a transparent mechanism to align public and private funds and to use repayable finance where appropriate to free up grant resources for high impact but non-investable projects.

GMEF provides a transparent framework for funders and delivery organisations to set regional priorities and facilitate projects that can deliver substantial local social and environmental impact.

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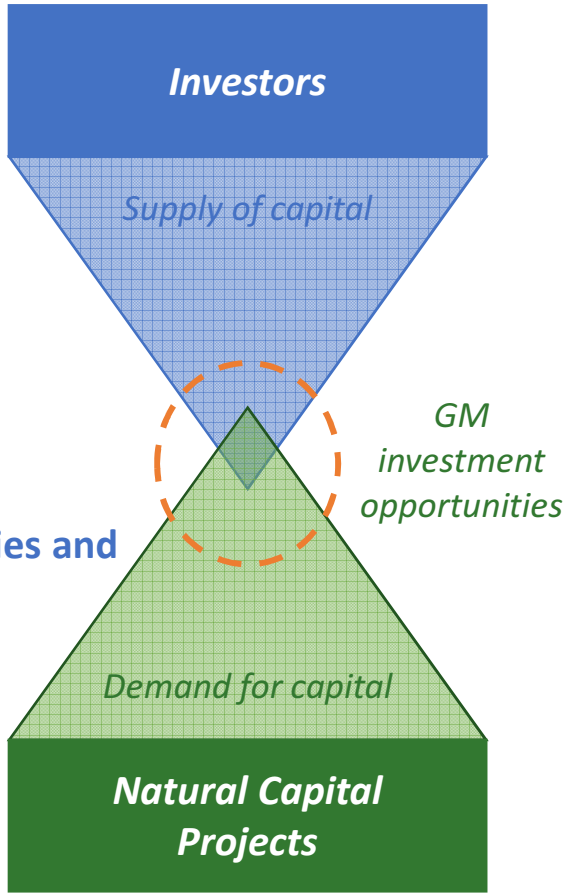
GMEF: A Pioneering Regional Environmental Fund

GMEF has been designed to attract and leverage capital to facilitate investment into environmental projects across the GM region.

GM is leading the exploration of innovative approaches to natural capital Investment

- In 2018, GM was granted **"Urban Pioneer"** status by DEFRA, tasked with trialling new methods to funding natural capital to inform the delivery of the Government's 25-Year Environment Plan.
- GM created the first Natural Capital Investment Plan ("NCIP") for a city region to establish a natural capital baseline and stimulate new sources of sustainable investment.
- The work identified a critical need for **project developer capacity building** and **technical assistance** to facilitate the development of investable business models.



GMEF will build on this experience to develop and implement opportunities and unlock new investment sources by providing:

Top-Down Support

- Aligning restricted public funding streams for strategic deployment
- Repayable finance to crowd in private capital and fill project resourcing gaps

Bottom-Up Support

- Capacity building and technical assistance to increase the number of investable projects across GM

GMEF aims to align public and private sector funding to provide the capital needed to achieve GM's environmental ambitions over the long-term.

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Greater Manchester: The Urban Pioneer

Through its journey of building political and stakeholder ambition that has culminated in GMEF, GM is at the forefront of the nascent environmental impact investment sector, unifying public, private and third sector efforts.

Building political and stakeholder support

2016-2018

- GM Natural Capital Group provides environmental leadership
- Raising awareness of environmental issues and benefits
- GM selected as the "Urban Pioneer" by Defra tasked with testing new tools for natural environment investment

- Baseline natural capital accounts
- Development of evidence base to inform strategic priorities
- Events promoting connection with nature
- Start demonstrator projects to evidence benefits and test new approaches

NATURAL COURSE
OUR WATER, OUR FUTURE
Life

the ignition PROJECT
NATURE-BASED SOLUTIONS TO THE CLIMATE EMERGENCY

- Mayoral commitment to GM Green City and set up of GMEF
- Securing resources to trial new approaches

ANDY BURNHAM
MAYOR OF GREATER MANCHESTER
GREEN SUMMIT
#GMGreenCity

Strategic plan

2018 - 2019

- Environmental priorities
- GM 5 Year Environment Plan
- Investment opportunities
- Resourcing and capacity building requirements
- Natural Capital Investment Plan

Design of delivery model

2020

- Design and structure GMEF
- Appoint GMEF Manager
- Set up charitable vehicle and governance
- Identify pilot projects
- Pump-priming grants and implementation funding

Launch GMEF

2021

- Launch GMEF
- Implement pilot projects
- Monitor and showcase success
- Scale up funding

The Wildlife Trusts
Lancashire, Manchester & N Merseyside

To build a structure of this scale, pump priming grants are required to bring in much needed development capacity to launch GMEF, implement pilot projects and showcase the benefits that GMEF has to offer.

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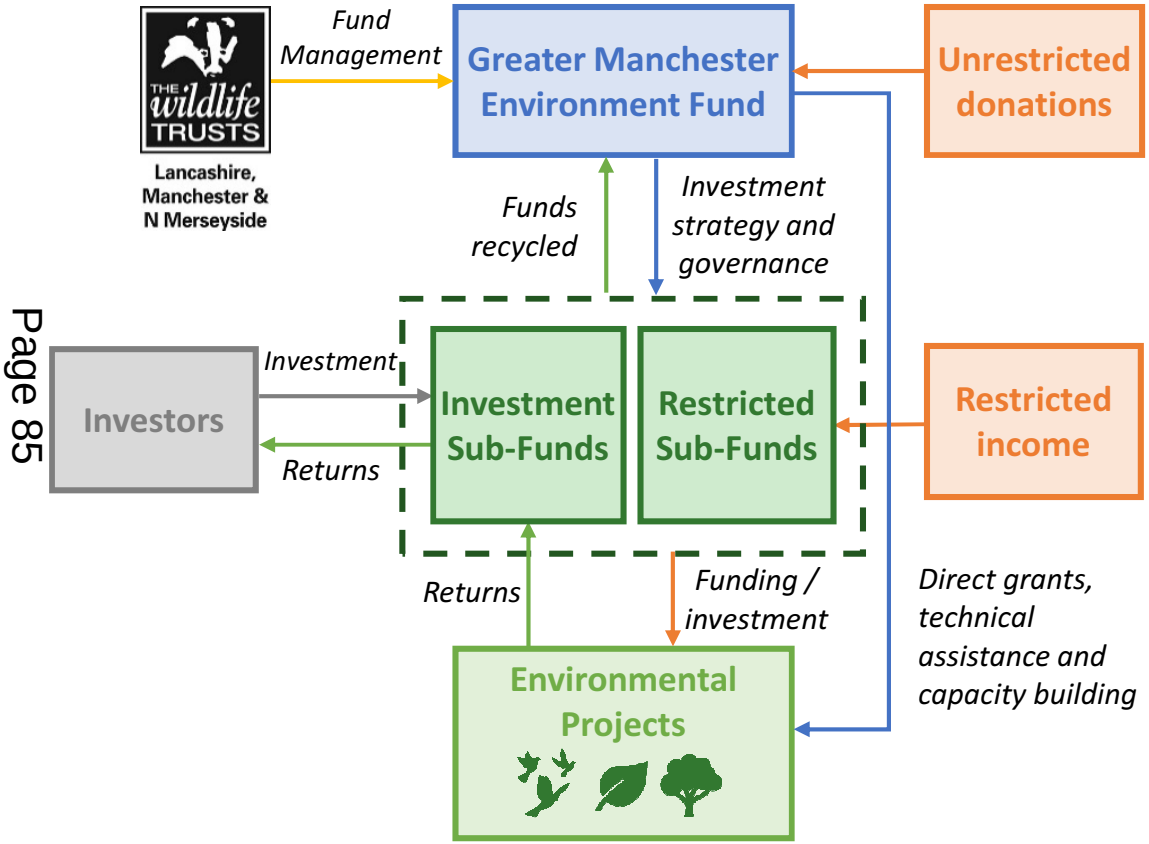
The Wildlife Trusts Lancashire, Manchester & N Merseyside
Environmental Finance

GMEF Structural Overview

GMEF is a unique approach taken by a UK city region to strategically aggregate and leverage funding through an independent governance vehicle to deliver its environmental ambitions.



Overview of GMEF Approach

- GMEF is a charitable vehicle managed by Lancashire Wildlife Trust ("LWT").
- LWT provides technical expertise, local network and experience in running charitable vehicles for fund deployment.
- GMEF will collate a range of non-restricted funds (such as public and philanthropic sources) and restricted funds (such as enforcement funds) to strategically channel into delivering GM's environmental priorities.
- GMEF will use funding for:
  - Strategic direct project support; and
  - Creating specialist sub-funds focusing on natural capital business models that unlock restricted funding streams and mobilise private capital.
- Returns beyond those due to other investors will be recycled back into GMEF to support its environmental aims.

GMEF provides a transparent mechanism to collate funding sources and provide a governance framework to house further vehicles designed to fund specific natural capital projects in GM.

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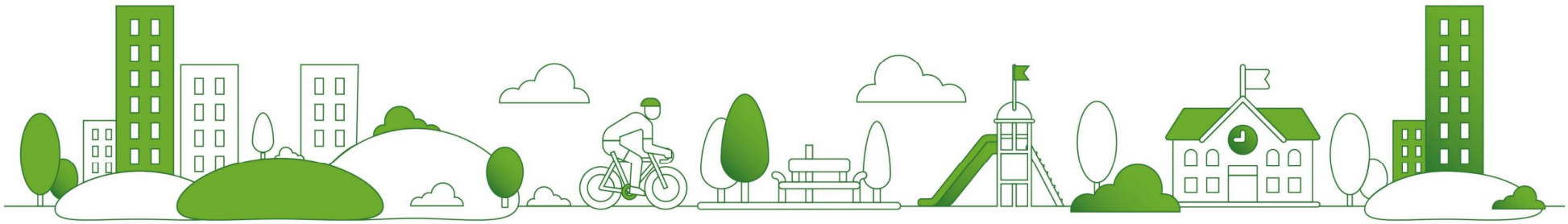
Investment Opportunities

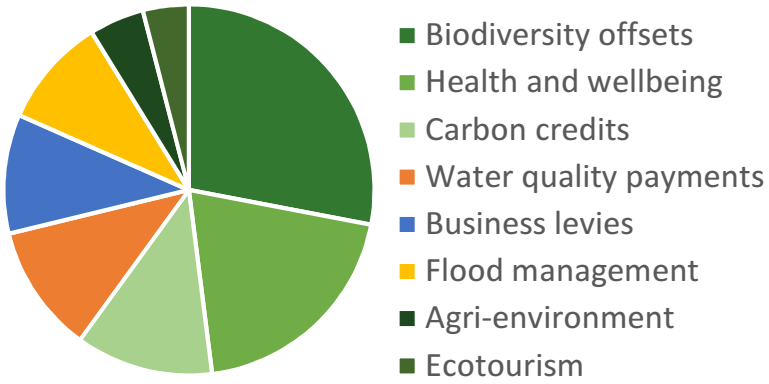


Investment Opportunity Analysis

Over the course of 2020, the GMEF partnership engaged with a wide range of stakeholders in the city region to support the design of GMEF and assess funding and investment opportunities.

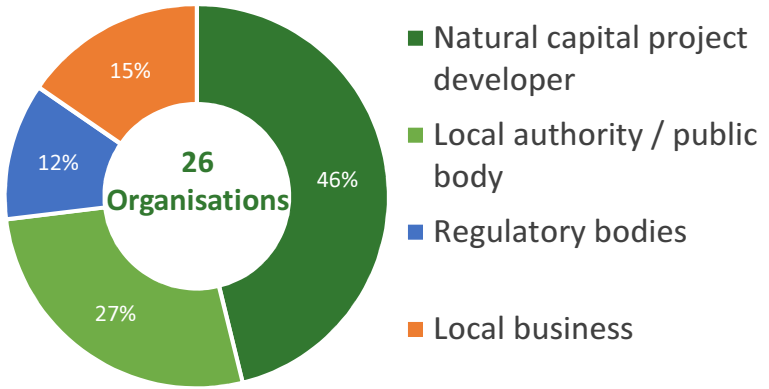
Investment model prioritisation and assessment

Project revenue opportunities



- Over **50 natural capital projects** in development in GM were put forward by key partners. A **project level funding gap of well-over £100 million** was identified from projects that provided cost estimates.
- Major opportunities were identified to mobilise private investment in habitat creation and restoration through **biodiversity net gain** and **carbon income streams.**
- The establishment of a **Habitat Banking Facility and Carbon Offsetting Facility was prioritised** for further assessment based on the revenue opportunity review.

Investment model analysis



- Over **50 stakeholder conversations** were held with 26 organisations across the private, public and third sectors.
- The process evidenced the opportunity for **GMEF to better align public and philanthropic funding sources and expand private investment** into GM's natural capital.
- The results were used to **refine the proposed investment opportunities and tailor the design of GMEF** towards the distinct attributes of the GM region and the needs of its stakeholders.

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GMEF Funding Opportunities Horizon

Liaison with a broad range of GM stakeholders and a dedicated GMEF Advisory Group has evidenced the significant opportunity for GMEF to raise public, philanthropic and private funds to deliver a thriving natural environment in GM and become self-sustaining over the long-term.

	Short Term (<1 year)		*Medium Term (1-3 years)**		*Long Term (3-5 years)**	
Non-repayable funding sources	**Pump-priming public and philanthropic grants**	To provide much-needed development capacity and to pilot approaches	**Clean Air Fund**	Ambition to launch a Clean Air Zone plan to reduce emissions through taxation	**Corporate sponsorship and individual giving**	Long-term corporate partnerships and individual giving based on GMEF showcasing success
	Corporate funding programmes	Deliver corporate programmes – **£200k committed from Suez Community Fund**	**Landfill funds**	Surplus landfill funds	**Plastic bag / waste levies; business levies**	Levies through retail partnerships and / or Business Improvement District initiatives
			Enforcement undertakings	Fines for pollution issued by the EA		
Repayable investment funds	**Habitat Bank Facility**	Further detail provided on pages 18-21	**Sustainable Drainage Scheme ("SuDS") fund**	Private investment mechanisms for SuDS are in development through the EU-funded IGNITION programme	**Built environment carbon fund**	GM is considering a mandatory carbon offsetting approach to delivering net zero carbon development
	Carbon Mitigation Facility		**Environmental Impact Bonds**	Results-based payment models are being explored to finance NBS	**Low-carbon / circular economy**	Incorporate investment funds to achieve wider low carbon ambitions

Within 5 years, GMEF aims to accumulate sufficient funding, levies and private investment to become a self-sustaining funding source to support the delivery of GM's environmental ambitions.

**Funding opportunities are indicative based on market analysis and stakeholder engagement. Other funding opportunities may also be available.*

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Investment Opportunity Deep Dives

Three opportunities have been identified as the initial focus of GMEF. Deep dives on each of these are on slides 18-24.

Habitat Bank Facility

Building on the momentum of national policy and local expertise to position GM as the leading national authority for attracting repayable finance to create and restore habitats at a city region scale while providing verified biodiversity credits to developers.

Carbon Mitigation Facility

Overcoming challenges in structuring, verification and navigating opaque and volatile voluntary carbon markets by harnessing increasing corporate and public demand for local carbon offsets that can be seen, understood and trusted.

Pilot Investment

Grant funding needed to create and test the novel Carbon and Biodiversity Credit investment model to fund restoration of GM's degraded peatlands. Contributing to the evidence base for this form of financing would allow investment to be scaled up to support further natural capital projects.

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Investment Model Opportunity 1: Habitat Bank Facility

Greater Manchester has ambitious targets to embed Biodiversity Net Gain (BNG) policy within development as part of its commitment to becoming a green city region.

National BNG Policy

10% **Minimum BNG requirement for all new developments** by 2022 through the incoming Environment Bill

£200m **Estimated future annual revenue for habitat creation** from developers in England (Defra, 2019)

$4bn **Annual habitat credits transacted in the US** (Conservation Finance Network, 2020)

GM could lead the way in building this market in the UK, by attracting repayable finance to create and restore habitats at a city region scale.

Significant Benefits of a GM BNG Approach

- Increasing the quality and quantity of local greenspaces to benefit community well-being
- Supporting a green city region and delivering the Mayor's zero carbon target
- Generating new investment in strategic delivery of GM's Nature Recovery Network and ensuring funding is optimally spent

Greater Manchester Local BNG Policy Development

- Widespread political and stakeholder support is in place to support BNG policy development and implementation in GM.
- Significant evidence base to inform strategic policies developed across a broad group of industry experts within GM Natural Capital Group
- Implementation of BNG is part of a broad range of GM green city region initiatives, including:
  - Prioritisation and commitment to BNG in the GM 5-Year Environment Plan and the GM Spatial Framework
  - Salford City Council (within GMCA) is a leader in BNG and plans to introduce BNG policy in 2021 ahead of national policy

GM has been developing a BNG funding and delivery model since 2018 to inform best practice to strategically enhance biodiversity ahead of national legislation.

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Investment Model Opportunity 1: Habitat Bank Facility

GM plans to lead the delivery of strategic habitat creation by setting up a dedicated Habitat Bank Facility to provide funding and support for local project developers seeking to deliver BNG at a city region scale, building on approaches in more developed markets.

A dedicated Habitat Bank Facility could…

Increase access to financing
to enable districts to create and restore strategic habitats, and accelerate a GM-wide Nature Recovery Network

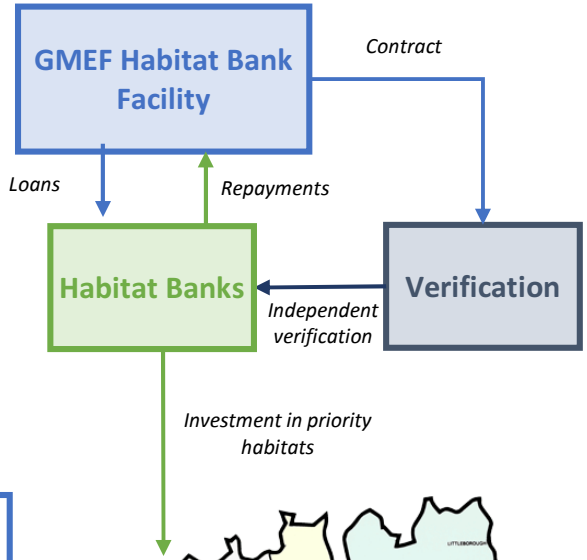
Streamline development in GM
by developing habitat banks, providing developers with high quality "off-the-shelf" offsite BNG

Unlock Co-funding
for projects with multiple outcomes e.g. flood defence, stacking carbon income streams

Reduce development and verification costs
by centralising these across habitat projects in GM

Diversify local NGO income sources
Thus building delivery capacity and financial sustainability

Support GM's position as the BNG pioneer region
Demonstrating how to effectively balance economic and environmental objectives



GM market opportunity analysis

Salford

Identified as the clear leader in BNG development, on track to implement ahead of national policy by early-mid 2021.

BNG proof of concept pilot funding is urgently required, to provide policy development and regional learnings to scale up BNG across GM.

Investment opportunity

>£300k annual income for offsite BNG, attracting **>£1m** investment to the area

Whole GM Region

£5m-£7m

annual offsite BNG income reflecting a sizeable habitat bank investment opportunity

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Investment Model Opportunity 2: Carbon Mitigation Facility

With GM's ambition to become carbon neutral by 2038, interest from GM corporates in locally based offsets, and a major need for restoration of GM's carbon sink landscapes, there is a clear opportunity for GMEF to develop business models based on income generated by voluntary carbon credits.

Clear opportunities for carbon sequestration in GM

Peatland[(1)]

17,500ha of peatland in GM with huge potential to store carbon, reduce flood risks and provide key habitats

of which

98% has been destroyed and the remainder is badly degraded, emitting huge amounts of CO_2

180,000t potential annual reduction of CO_2eq from restoring degraded peatlands

Woodland

1 million trees to be planted by 2024 which will:

- Lock up carbon
- Alleviate air pollution
- Reduce flood risk
- Improve biodiversity

Need for supportive market infrastructure

Market infrastructure to develop new funding mechanisms will enable restoration of these landscapes and creation of new habitats to deliver GM's carbon ambitions.

Corporate appetite for local carbon mitigation is increasing driven by growing consumer awareness and net zero commitments, providing new funding opportunities.

GM policy targets for mandatory net zero developments introduces a need for a vehicle to aggregate district offset funding and deploy into strategic projects.

Locally generated offsets have a major appeal in providing real, local benefits that can be seen, understood and trusted by corporate buyers.

Local project developers and landowners face major challenges in navigating opaque and volatile voluntary carbon markets and assessing income stacking opportunities.

(1) Natural England (2020). England Peat Strategy: Greater Manchester Combined Authority Peat Pilot Report for Defra

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Investment Model Opportunity 2: Carbon Mitigation Facility

Engagement with local stakeholders shows there is an opportunity to provide funding and support in monetising carbon credits to developers of natural capital projects in GM. A proof-of-concept pilot is the next stage to implement and refine the business model.

A GM Carbon Mitigation Facility could…

Secure offtake agreements with corporates with carbon targets to generate income streams from corporates offsetting emissions

Reduce set up and verification costs and access higher, more consistent carbon prices by aggregating local projects and centralising marketing.

Attract private investment into carbon sink projects requiring funding, allowing GM to meet its carbon targets through restoring its natural assets.

Act as a regional hub for information sharing and capacity building for local organisations developing carbon capture projects.

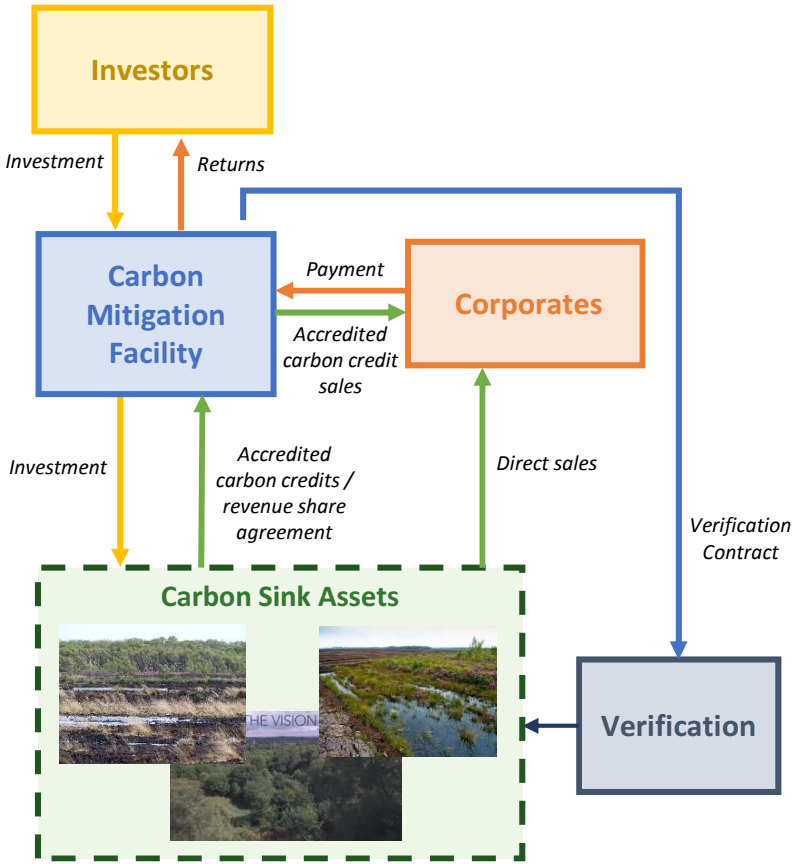
Building on existing work in GM

In 2018, LWT partnered with Heathrow Airport to support its plans to become carbon neutral through a £94,000 investment in peatland restoration.

The 70 ha project at Little Woolden Moss is expected to reduce emissions by 22,427 tCO_2eq over 30 years.

There is a significant opportunity to build on this pilot and scale up carbon projects by providing upfront capital for habitat restoration and secure long-term carbon purchase commitments from corporates.

Indicative investment structure



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Pilot Investment Opportunity: Chat Moss

Delivery of a pilot investment would enable the restoration of GM's hugely valuable peatland habitat, whilst proving the BNG and carbon investment models to enable scale up.

Carbon Storage Potential

Chat Moss is the largest remaining fragment of lowland peatland within GM. It is currently a huge Green House Gas emitter, having experienced severe degradation through intensive agriculture, industrial pollution and peat extraction.

5m tonnes **CO_2eq storage potential***

80k tonnes **Potential annual CO_2eq emission reduction***

Demonstration pilots are critical to evidence the opportunity to avoid significant emissions through peatland restoration.

Strategic Local and National Priority to Restore Chat Moss

Local Policy Support

Salford City Council:

- Has established Chat Moss as a "Biodiversity Heartland";
- Aims to enhance local biodiversity through lowland raised bog restoration.

National Policy Support

Natural England:

- Recently selected a site at Chat Moss as one of nine (out of 90) applicants to be a BNG Credits Scheme pilot project;
- Will provide resources to develop BNG calculations and management plan to provide learnings for BNG delivery.

GMEF opportunity

1. Test approaches to fund GM's Nature Recovery Network through 'stacking' carbon with BNG credits.
2. Secure private investment into peatland restoration based on blended income streams.

A pilot investment would build on Salford's ambitions and LWT's carbon funding experience to provide the evidence base to scale up the Habitat Bank and Carbon investment models, to include:

- Quantified carbon and biodiversity credits
- Verification requirements and process
- Monetisation of biodiversity and carbon outcomes
- Financing structure to support delivery
- Delivery process

GMEF is seeking a revolving grant of c.£175,000 to support the design and implementation of the BNG and carbon investment pilot over the next 18 months.

*Defra, 2020

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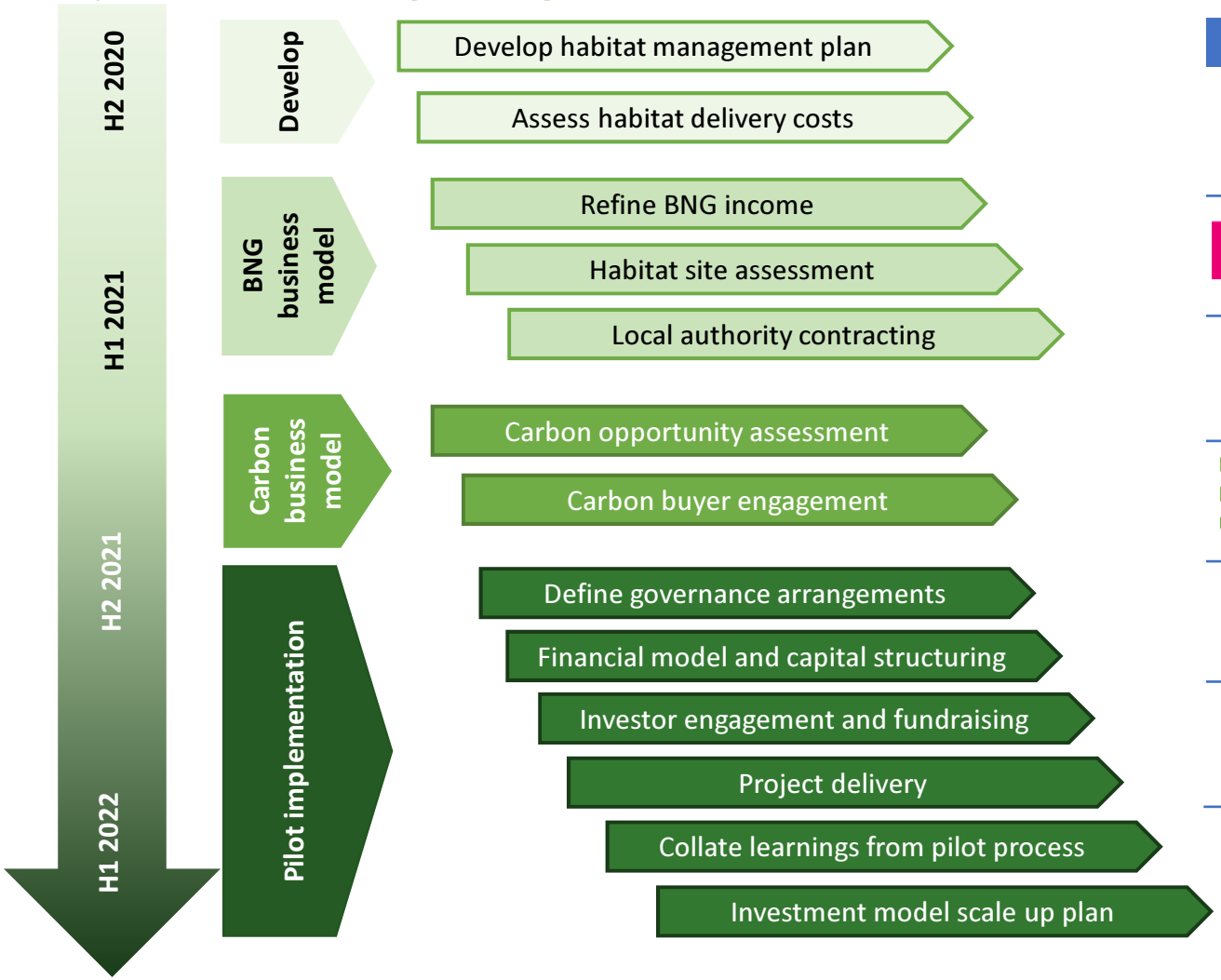
Pilot Implementation and Scale Up Plan

Learnings provided during the pilot process will be used to scale up the Habitat Bank and Carbon investment models to deliver additional funding for habitats across GM. Pilot implementation is dependent on securing funding and establishment of the investment case.



Delivery Team Partner	Role
The Wildlife Trusts Lancashire, Manchester & N Merseyside	GMEF Fund Manager and local eNGO
Salford City Council	Local Planning Authority
Greater Manchester Ecology Unit	Specialist ecological advisor
Environmental Finance	Specialist financial advisor
GMCA Greater Manchester Combined Authority	GMEF Sponsor
Natural England	BNG credit assessment and validation

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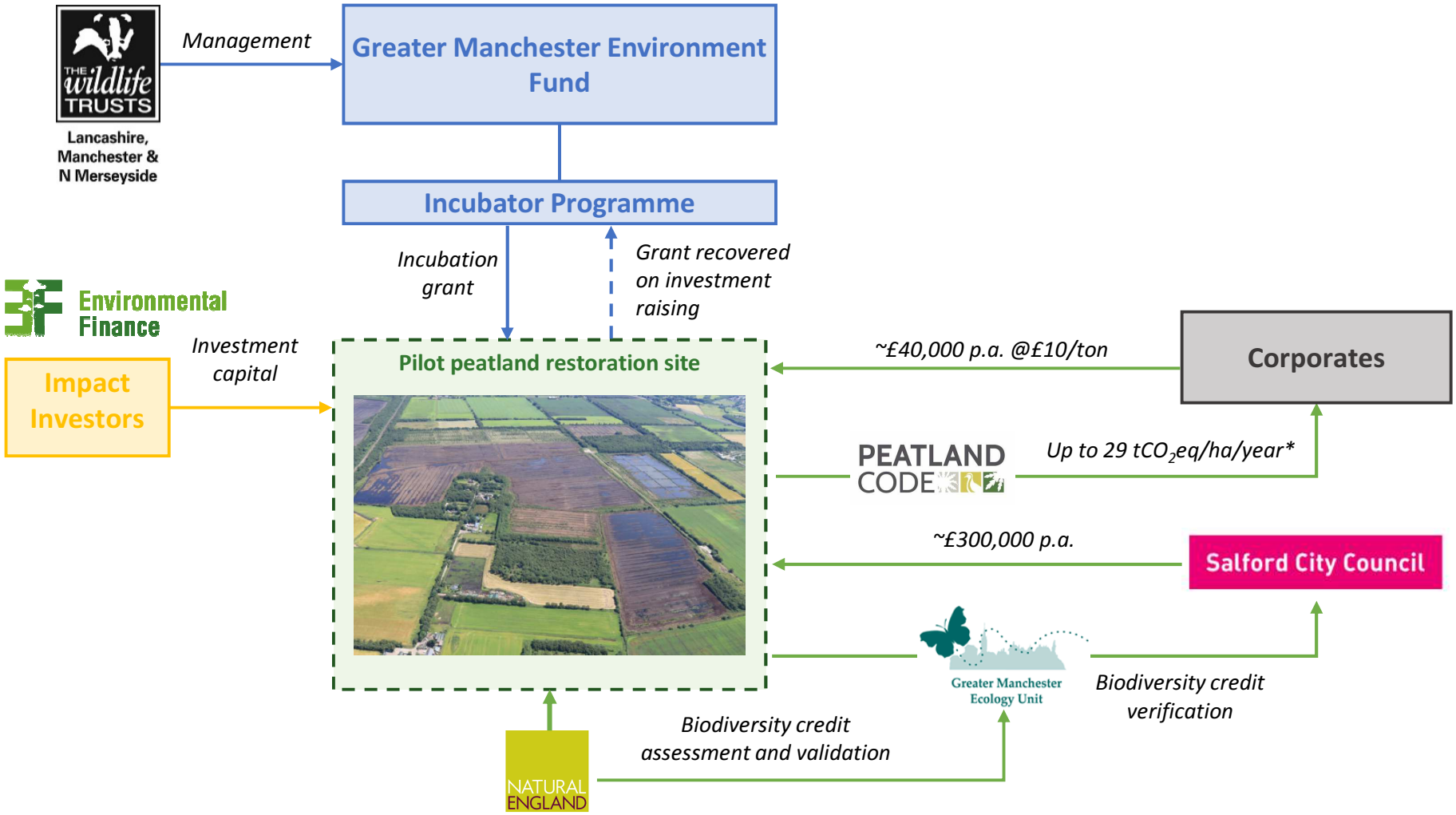
Proposed Structure of Pilot Investment

Indicative transaction structure



** Findings from study of 2,802 ha site on Chat Moss by Natural England in the Peat Pilot Report for Defra (2020)*

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Pilot Investment Programme Budget

GMEF's proposed pilot programme requires a revolving grant of c.£175k to deliver a proof-of-concept for BNG and carbon investment. This is intended to be recoverable to create legacy funding through an Incubation Programme for further pilot investments.

Role	Budget (£'000)	Key responsibilities
Financial advisor	90	• BNG and carbon business model development • Financial model and capital structuring • Investor engagement and fundraising • Investment model scale up delivery plan
Carbon assessment	10	• Emissions reductions projections • Carbon verification methodology
GMEF Manager	20	• Stakeholder engagement • Investment model scale up delivery plan
Ecologist	10	• Habitat management plan • BNG unit calculations and costings • Monitoring and reporting
Legal and other fees	20	• Legal structuring, documentation and related costs
Net budget total	**150**	
VAT	25	
Grand total	**175**	*Revolving grant to support pilot implementation work streams to March 2022*

Incubation Programme

- The pilot programme is intended to provide a 'proof of concept' investment to allow the Habitat Bank and Carbon investment models to be scaled up to deliver greater investment in GM's natural capital.
- The pilot programme can be run independently from GMEF Manager scale up grant.
- The initial grant is intended to be recoverable from the realised follow-on investment to create legacy funding for a long-term Incubation Programme to deliver further pilot investments.
- Recovery of the repayable grant depends on the success of the pilot and subsequent fundraising for the launch of investment funds.

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Scale Up Funding Need

Further pump priming grants would bring in much needed development capacity to attract a broader range of funding streams to accelerate GMEF growth and increase the impact it can achieve.

Scale Up Funding Request

- GMEF has already successfully secured funding commitments from Suez community fund to deliver grants of £200,000 per year into environmental projects for the benefit of the GM communities.
- While this funding source covers the operational costs to deliver the programme, further pump-priming grants are needed to:
    - Bring in much-needed capacity to build on this success by leveraging identified additional funding streams to meet GM's long-term environmental objectives
    - Put GMEF onto a sustainable long term footing to continue its mission and fulfil its potential to be the UK's leading regional environmental impact vehicle and a blueprint for other regions to follow.
- A grant funding request of £150k would cover the next 15 months of GMEF development work to support ambitions to scale up funding and investment to over £1m and showcase the benefits GMEF has to offer. Over 5 years, funding levels are projected to scale to nearly £4.7m.

Scale Up Funding Need	Organisation	Costs (incl. VAT) (£'000)
Corporate funding streams (e.g. CSR, carbon market, waste levies)	GMEF Manager*	75
Enforcement undertakings		15
Local authority funding		10
Clean Air Fund distribution		10
Project management and other costs		10
Further investment model development	Financial Advisor	30
Net total		**150**

Projected GMEF funding raised

Funding sources (£'000)	2 Year Total	5-Year Total	Confidence
Suez Community Fund	400	1,000	**High** - committed
Corporate donations	100	900	**Medium** – strong local appetite from initial engagement
Clean air fund	-	420	**Low** – early development stage
Enforcement undertakings	60	300	**Medium** – historical analysis
Local authorities	8	68	**Medium** – high engagement; but local budget pressures
Individual giving	-	60	**Low** – resource intensive to secure
Private repayable investment funds	500	2,000	**Medium** – strong business model for BNG and carbon with other investment funds already in development
Total	**1,068**	**4,668**	

*Includes staff costs (for a Programme Manager, Communication Officer and LWT Senior Management support) and associated office costs to March 2022

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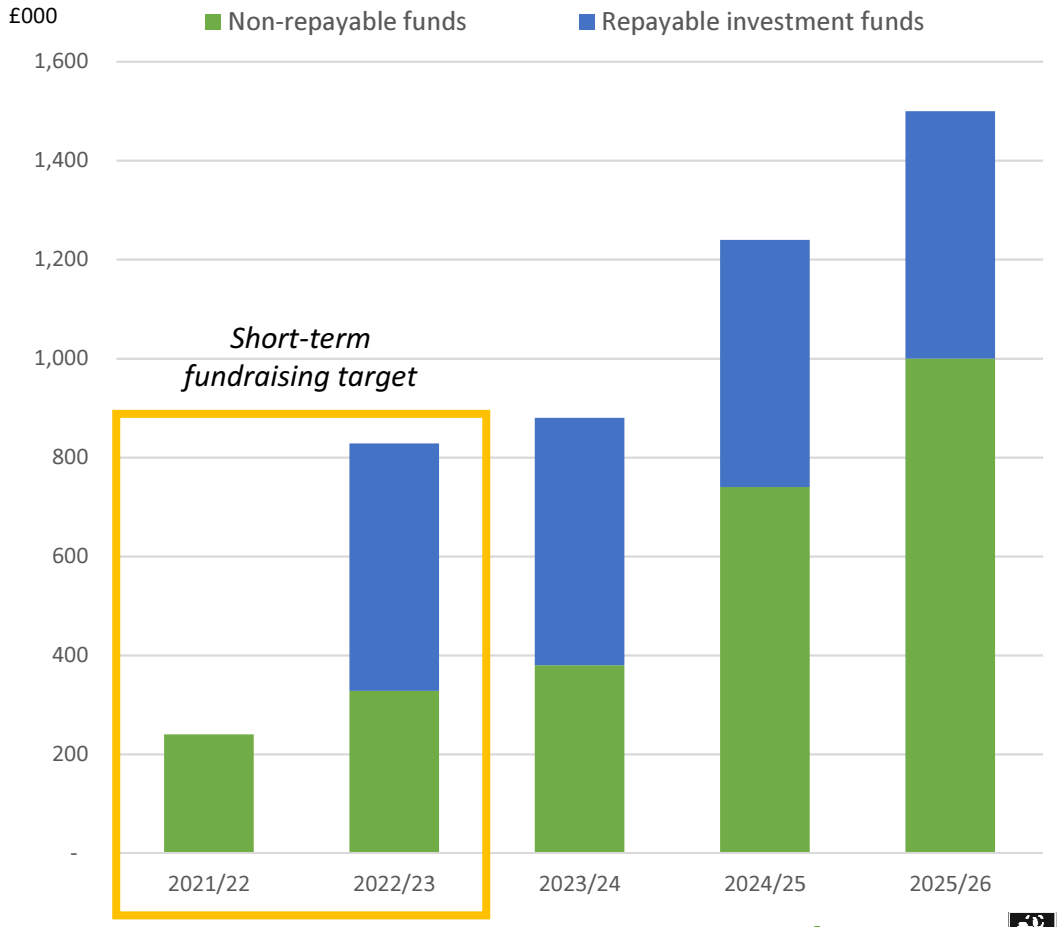
Total Grant Request Summary

A short term grant of £325,000 in total will accelerate GMEF by providing the development capacity to implement GM's first natural capital investment fund within 18 months and further funding to be raised to support GM's natural capital priorities.

	Amount requested (£000)
Pilot programme revolving grant	175
GMEF scale up funding grant	150
Total funding request	**325**

Annual Projected GMEF Funding Mobilised



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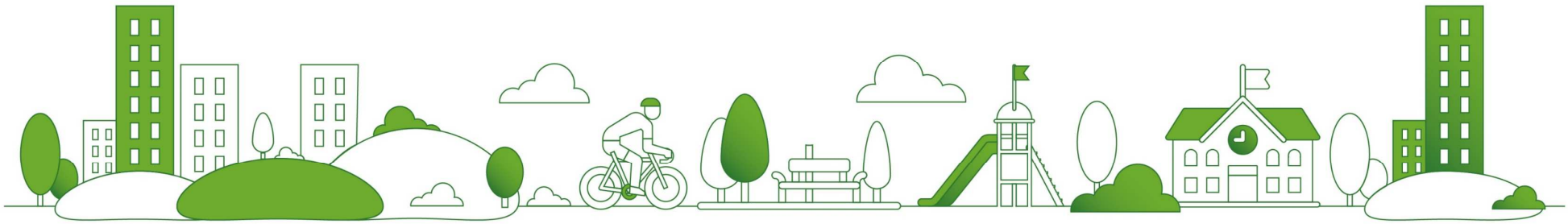
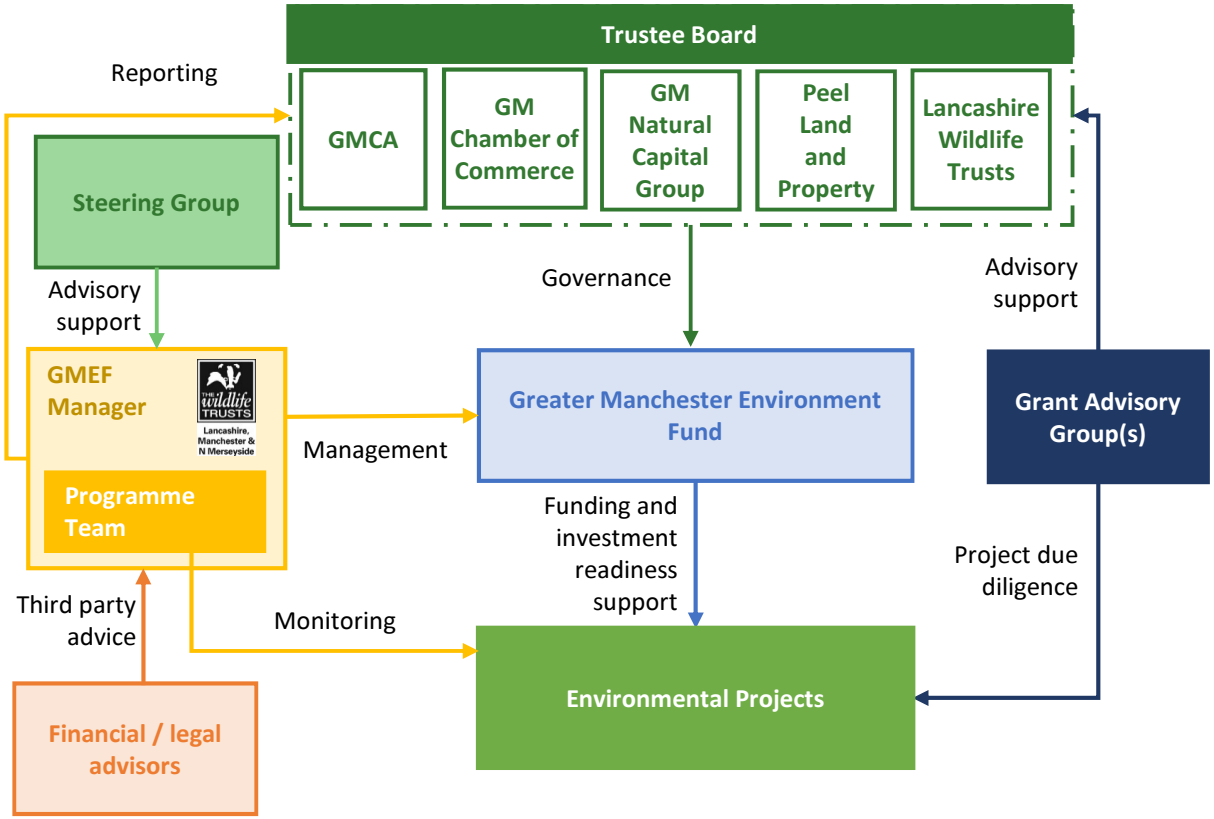
GMEF Delivery



GMEF Governance Structure

GMEF will be structured as a charitable company limited by guarantee using a similar model as the Lancashire Environment Fund, which LWT designed and has managed effectively over the last 20 years, deploying over £25 million of grants.



Indicative Governance Structure

- GMEF is set up as a charitable company, with LWT contracted as its manager.
  - LWT's experienced Programme Team monitors day-to-day operation, project delivery and compliance.
- An independent Board of Trustees provides strong governance and oversight to ensure GMEF delivers GM's environmental ambitions.
  - Includes members from GMCA, LWT, GM Natural Capital Group Chair and business representatives to provide a wealth of diverse knowledge and experience.
- An independent project Steering Group provides strategic oversight and potential access to funding streams.
- Grant Advisory Groups support the Trustee Board with project due diligence and verification for specific funding streams.
- Specialist financial and legal experts can be brought in to support as required to implement new investment sub-funds.

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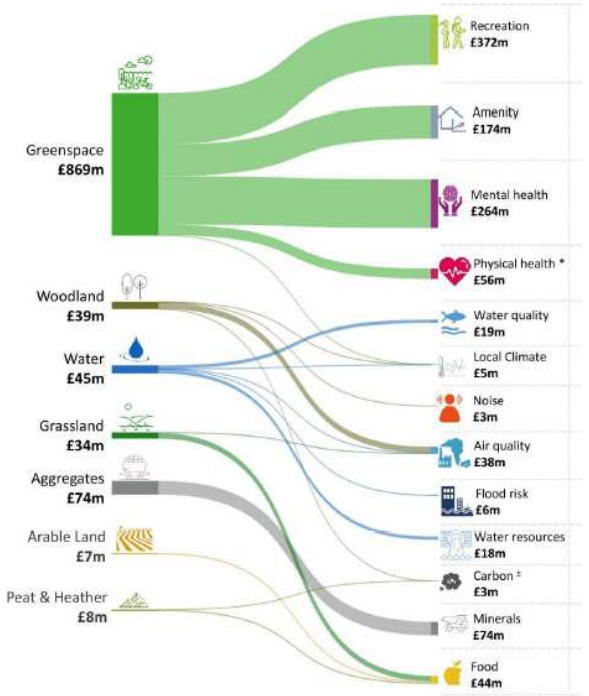
GMEF Sponsor: Greater Manchester Combined Authority

GMCA is working together to improve the lives of people in Greater Manchester.

- GMCA is made up of the ten GM councils and the Mayor, who work with other local services, businesses, communities and other partners to improve the city region.
- GMCA's vision is to make GM, home to more than 2.8 million people, one of the best places in the world to grow up, get on and grow old.
- As a devolved city region, GMCA gives local people more control over issues that affect their area. GMCA enables the region to speak with one voice and can make a strong case for resources and investment to help the entire north of England achieve its full potential.
- GMCA recognises that the natural environment in the GM region is fundamental to the health and wellbeing of the residents and the foundation of the local economy.
- GMCA has set out bold plans to create a city region that is fit for the future and will lead a new environmental revolution in the UK.
- GMCA is working to ensure that immediate environmental leadership and action will tackle the scale of the environmental threats facing the region and secure a cleaner and healthier environment for all.

Benefits of GM's Natural Environment



#GMGreencity

GREATER MANCHESTER
DOING THINGS DIFFERENTLY

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GMEF Manager: Lancashire Wildlife Trust (LWT)

Founded in 1962, LWT has over 50 years of experience in managing large-scale projects, partnerships and funding programmes to protect and enhance the natural environment, build a strong voice for wildlife, and inspire people to connect and engage with nature.

Lancashire, Manchester & N Merseyside

LWT's Experience

- LWT has 30,000 members, 4,000 volunteers, 190 staff, manages around 200 ha of nature reserves and delivers environmental education to 20,000 children per year.
- LWT is well-known for its science-based conservation expertise and is at the forefront of bringing species such as red squirrels back from the brink. LWT has recently reintroduced the Manchester Argos butterfly to Greater Manchester after an absence of 150 years.
- LWT has a range of environmental expertise including in advocacy, campaigning, land management and partnerships; programme management, wider stakeholder engagement, consultation and communication; and fundraising, including experience in new and more diverse income streams and fund distribution.
- With an annual turnover of £5 million, a £1 million trading arm and a £1 million landfill distribution arm, LWT is experienced at managing large-scale projects including:
  - Chat Moss - major lowland peat land acquisition, restoration and habitat creation;
  - Bickershaw Country Park - natural flood storage;
  - Wigan Flashes - land reclamation and transformation into the country's first proposed National Nature Reserve; and
  - Great Manchester Wetlands Partnership - areas designated as a Nature Improvement Area.

"If we are going to turn the tide and meet the double challenge of climate crisis and biodiversity crisis, then developing approaches such as the Greater Manchester Environment Fund are crucial. We aim to trailblaze and to turn theory into delivery."

Anne Selby, CEO

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GMEF Investment Advisor: Environmental Finance

EF is the UK's leading environmental impact investment boutique, offering corporate finance advisory and fund management services across the natural and built environment.

Environmental Finance

EF's Experience

- EF has the leading UK track record of designing combined environmental and social impact funds.
- EF currently manages over £50 million of blended or aligned social and environmental impact funds.
- EF's team has designed over £200 million of impact investment structures.
- EF has strong stakeholder relationships with leading environmental organisations.
- EF has extensive experience in both innovative financing and natural capital asset management.
- EF is a wholly employee-owned social enterprise, with 51% of profits being delivered to on-mission activities and investments.

EF's Clients

Fund Management

CORE Partners Community Owned Renewable Energy

PICNIC

Fund Advisory and Creation

Department for Environment Food & Rural Affairs

REAL FARMING TRUST

WWF

Environment Agency

BIG SOCIETY CAPITAL

Investment Advisory

National Trust

Llywodraeth Cymru Welsh Government

power to change

The Wildlife Trusts

Esmée Fairbairn Foundation

Woodland Trust

rspb

sky ocean rescue

WWF

Working together to safeguard Marine Protected Areas

GMCA Greater Manchester Combined Authority

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GREATER MANCHESTER

The Wildlife Trusts Lancashire, Manchester & N Merseyside

Environmental Finance

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ITEM 11

GMCA GREATER MANCHESTER COMBINED AUTHORITY

GREATER MANCHESTER GREEN CITY REGION PARTNERHIP

Date: 10th[th] December 2020

Subject: Public Sector Decarbonisation Scheme

Report of: Councillor Andrew Western, Portfolio Lead for Green City Region and Alison McKenzie-Folan, Portfolio Lead Chief Executive for Green City Region

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PURPOSE OF REPORT

This paper was presented to the GMCA Exec meeting on 27th November and was approved with the amendment that recommendation 1 should be amended to "£30-80m"

The purpose of this paper is to outline the opportunity presented by the Public Sector Decarbonisation Scheme and Greater Manchester's ambition to seek substantial funding from the scheme for public building retrofit projects across the conurbation. Given the constrained delivery timeframes, if the bid is successful, we are seeking approval now to receive and expend circ £30-60m funding from Salix (NDPB) to undertake low carbon retrofit projects on approximately 133 public buildings across Greater Manchester.

RECOMMENDATIONS:

GMCA was requested to:

1. **Note the opportunity to bid for circ £30-60m of Public Sector Decarbonisation Scheme funding from Salix (NDPB)**
2. **Subject to a successful bid, approve the receipt and agree defrayment of these funds either directly or via GM Local Authorities**
3. **Note that, where Local Authorities will expend this funding directly, they may need to seek their own approvals under accelerated timeframes to ensure delivery is expedited**
4. **Note that GMCA Chief Executive and Treasurer have approved in October, under delegated powers, the receipt of circ £1m grant from Salix (NPBD) to be utilised on feasibility studies on low carbon retrofit assessments of public buildings to support this bid**
5. **Note that equalities impact from this proposal will be managed via utilising delivery companies with robust equality policies. The environmental outcome is to substantially reduce the carbon emissions from approximately 130 public buildings in Greater Manchester.**

CONTACT OFFICERS:
Mark Atherton mark.atherton@greatermanchester-ca.gov.uk
Sean Owen sean.owen@greatermanchester-ca.gov.uk

1. INTRODUCTION/BACKGROUND

1.1 As part of the Summer Fiscal stimulus, Government announced £1bn funding for the Public Sector Decarbonisation Scheme (PSDS). This funding is being released, **as 100% grants,** via Salix Finance (NDPB), between October 2020 and January 2021.

1.2 The PSDS fund aims to halve carbon emissions from the Public Estate by 2032, through the deployment of energy efficiency and heating measures, excluding gas powered boilers and Combined Heat and Power (CHP). All buildings, where the end beneficiary is confirmed as being a public body, are eligible for this scheme including: Local Authority estate, Leisure sites (if the savings can be recouped by the LA), Schools and Health facilities. Social housing is excluded from this scheme and will be addressed under a different funding allocation.

1.3 There will be a small number of application windows with the mid-point being 23rd November. The application process will require completion of a Salix compliance toolkit, in-line with the current Salix Finance application routes, for each building. To complete the toolkit, whole building assessments will need to be undertaken for those buildings which do not already have them. GMCA has successfully bid for circ £1m feasibility funding from the Salix Skills fund to undertake 133 whole building assessments across the public estate.

2.0 PROPOSED APPROACH

2.1 A successful Skills fund application, for £983k, was submitted on Wednesday 14th October, to enable a robust Public Sector Decarbonisation Fund submission to be made on November 23rd. Approval to receive and expend this feasibility funding was given by GMCA Chief Executive and Treasurer, under delegated powers, in October.

2.2 Working with Districts and other partners (TfGM, HSCP), GMCA has already undertaken baseline assessments of over 100 public sector buildings. Capitalising on this initial work, GMCA and partners are now using the Salix Skills funding to procure, either directly or via Districts, approximately 12 consultants to undertake the building assessment and retrofit design to meet the requirements of the Salix Compliance Toolkit for each building to be submitted for capital funds.

2.3 The awarded Skills funding has been split across two delivery areas, in order to maximise deliverability and output in the time allowed between the grant award and the Public Sector Decarbonisation funding submission.

- existing stakeholder procured supply chain and,
- soft market test engaged delivery agent, procured under tender waiver

We have already engaged informally with the supply chain and are confident that they have capacity to deliver the commission within these timescales.

2.4 It is proposed that a public Sector Decarbonisation Fund application is submitted Monday 23rd November, on behalf of all the participating GM stakeholders. This application would provide details of the city region's approach to decarbonisation across 3 phases.

- Phase 1 Deliverable outputs by March 31st, 2021
- Phase 2 Deliverable outputs by September 30th, 2021
- Phase 3 A negotiated range of outputs beyond the current stated SALIX Finance timelines

2.5 Any awarded capex funding is proposed to be supported, in the first instance, by existing stakeholder procured supply chains, with additionality provided via wider framework provision e.g. NWCH, Procure Plus Low Carbon Technologies Framework (live as of Feb 2021) for phases 1 and 2. Phase 3 however could start to demonstrate a sustained programme of activity and efficiencies through collaboration (see Fig 1 below).

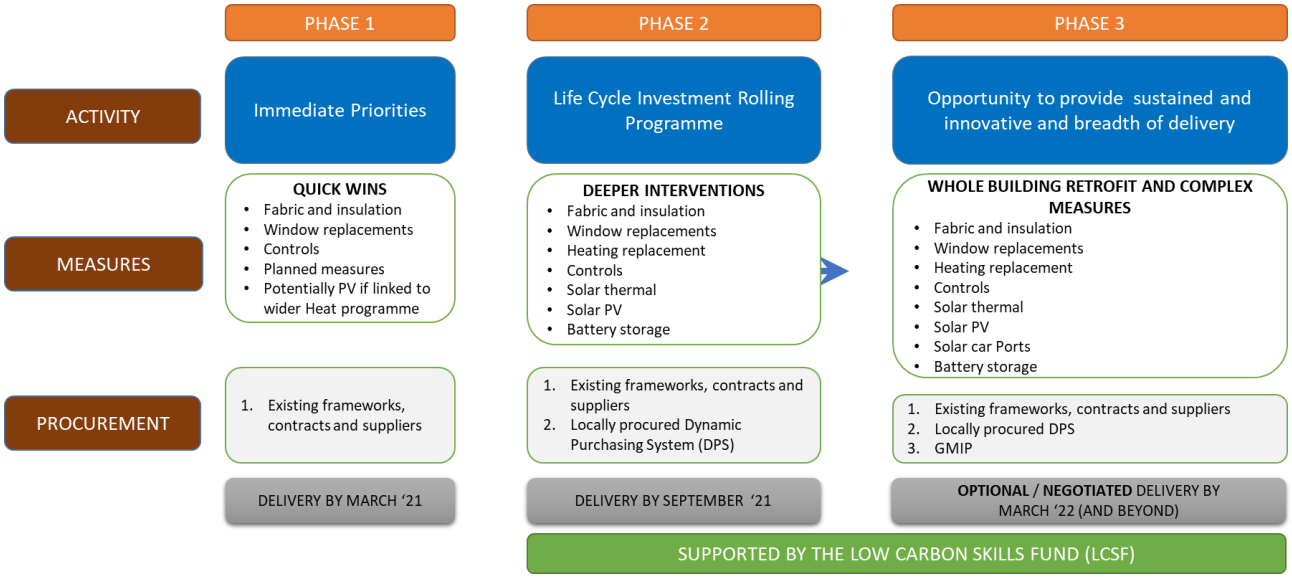

Fig. 1 – Phasing of Delivery.

3.0 NEXT STEPS

3.1 The Skills (feasibility) funding has been utilized to commission consultancies to undertake work on the building assessments. Their progress is being regularly monitored through a collaborative project Team lead by:

- Technical – Mark Atherton & Sean Owen
- Delivery – Andrew McIntosh and Neil Waddington

with additional support from project managers from TfGM and the NW Energy Hub. It is likely that a similar monitoring and management structure will be utilized for the delivery phase.

3.2 The data collected will be collated by 15th November and used to inform the size and scope of the Capital bid to the Public Sector Decarbonisation Scheme on 23rd November. Support from each District in the provision of this information will be required. Districts have been engaged through Director's of Place and the Decarbonising Public Estate Group.

3.3 The following Data is required for each bid/phase e.g. phase 1 March 21 delivery, September 21 delivery and phase 3 beyond:

- List of buildings by stakeholder / partner
- List of proposed measures by partner and building
- Supporting documentation
    - Stock Condition survey for each building
    - High level design by measure (Heating, on-site generation and storage)
    - High level costs per measure e.g.
        - design and engineering costs
        - main equipment capital costs
        - installation & commissioning costs
        - project delivery costs
        - contingency costs
        - - other project costs
    - Energy consumption data by building
    - Energy consumption data by proposed measure new and old (Existing designs will have this data; technical resource can also support)
- Outline of how measurement and verification will be completed to support 3yrs of post install monitoring.

4.0 OPPORTUNITIES/RISKS

4.1 The key risks/opportunities include:

- The timescale for delivery of the commission, if the bid is successful, is very tight. However, we believe the local supply chain has capacity to deliver.
- Utilisation of existing OJEU procured frameworks, NWConstruction Hub, STAR, Procure Plus, Fusion 21 and Bloom to support mobilisation and deployment of local supply chains
- Opportunity for Districts to collaborate with consequential efficiencies of scale
- Opportunity to support local apprenticeships and employment initiatives through deployment at scale (particularly for Phase 3)
- The use of recent building data compiled with the districts over the last 12 months to identify project portfolio.
- BEIS/Salix are likely to favor programmes that have shown a track record of impact and delivery at scale.

5.0 FINANCIAL IMPLICATIONS

If the capital bid is successful:

5.1 There are no financial consequences for GMCA/District revenue budgets, other than existing staff time to support delivery. GMCA will receive and disburse the capital grant either directly or via `pass-through' grant to Districts and other partners.

5.2 The PSDS Capital Grant fund is proposed as a 100% capital grant scheme, which can be topped up where desired measures do not fully meet the assessment criteria, e.g. Solar PV in some cases.

5.3 It is intended that GMCA will contract with Salix and either have back to back contracts with LAs (asset owners) for delivery or, at the request of Districts, procure delivery agents directly.

6.0 RECOMMENDATIONS:

GMCA was requested to:

1. Note the opportunity to bid for circ £30-60m of Public Sector Decarbonisation Scheme funding from Salix (NDPB)
2. Subject to a successful bid, approve the receipt and agree defrayment of these funds either directly or via GM Local Authorities
3. Note that, where Local Authorities will expend this funding directly, they may need to seek their own approvals under accelerated timeframes to ensure delivery is expedited
4. Note that GMCA Chief Executive and Treasurer have approved in October, under delegated powers, the receipt of circ £1m grant from Salix (NPBD) to be utilised on feasibility studies on low carbon retrofit assessments of public buildings to support this bid
5. Note that equalities impact from this proposal will be managed via utilising delivery companies with robust equality policies**.** The environmental outcome is to substantially reduce the carbon emissions from approximately 130 public buildings in Greater Manchester.

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